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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 1 November 2025
Pronounced on: 6 February 2026

\+ LPA 320/2024, CM APPL. 23753/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ RFA(OS) 13/2024, CM APPL. 24048/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS P LIMITED .....Respondent
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ RFA(OS) 38/2024

P. M. DIESELS PVT. LTD. .....Appellant
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

versus

THUKRAL MECHANICALS WORKS .....Respondent
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

\+ LPA 324/2024, CM APPL. 24003/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 325/2024, CM APPL. 24007/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

P.M. DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 326/2024, CM APPL. 24011/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 327/2024, CM APPL. 24015/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 328/2024, CM APPL. 24019/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

P.M. DIESELS PRIVATE LIMITED & ANR. .....Respondents

Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 329/2024, CM APPL. 24031/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 330/2024, CM APPL. 24035/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 331/2024, CM APPL. 24039/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 332/2024, CM APPL. 24043/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ LPA 333/2024, CM APPL. 24056/2024

THUKRAL MECHANICAL WORKS .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms. Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

PM DIESELS PRIVATE LIMITED & ANR. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

\+ RFA(OS)(COMM) 11/2024, CM APPL. 24052/2024

SUMITA RANI .....Appellant
Through: Mr. Hemant Singh, Mr. Sachin Gupta, Mr. Rohit Pradhan, Mr. Ajay, Ms.

Prashansa Singh, Mr. Adarsh and Ms. Mahima Chanchalani, Advs.

versus

NITIN MACHINE TOOLS PVT LTD & ORS. .....Respondents
Through: Mr. N. Mahabir, Mr. P.C. Arya, Ms. Noopur Biswas and Mr. Udit Gupta, Advs.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT

% 06.02.2026

C. HARI SHANKAR, J.

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I. A Brief Prefatory Note – The "Kerly impasse"

1. This batch of appeals presented, before us, a situation, of fact and law, which we have not had an occasion to encounter earlier and for which, despite our research, we have not been able to find any judicial precedent, at least in this country.

2. It is not, however, entirely unexplored, as it manifests what Kerly, in the following classic statement of the law from his authoritative treatise on trade marks[1], calls an "impasse":

> "**Concurrent right**
>
> … The statutory right of use given by registration of a mark does not provide a defence to proceedings for passing off by the use of the mark; although it is normally expedient for the claimant in such cases to apply to revoke the registration. *Where a party applies to register a mark but does not immediately use it, and another party uses the mark and generates sufficient goodwill to support a passing claim prior to the first use by the registered proprietor, an impasse ensues. The proprietor of the mark, if valid, may restrain use by the owner of the goodwill.* ***However, the proprietorship of the mark provides no defence to a passing off claim by the owner of the goodwill, notwithstanding the fact that such goodwill was generated after the application to register the mark***."
>
> (Emphasis supplied)

3. Thus, Kerly recognizes the possibility of a situation where, before commencement of user of a registered trade mark by the registrant (whom we may call A), another person (whom we may call B), uses an identical mark, for identical goods, without registration, and acquires goodwill, prior to the commencement of user by A. In

[1] Kerly's Law of Trade Marks and Trade Names

such a situation, Kerly states that an impasse results, in which A can injunct B's user on infringement and B can injunct A's user on passing off.

4. In the present case, moreover, there exists a pronouncement, by the Supreme Court, holding B to be A's infringer.

5. We are faced with precisely such a situation. We have not been able, however, to come across any judicial precedent which addresses the issue. It appears, therefore, that the issue is yet *res integra*.

6. In conspectus, the situation may be stated thus.

7. Jain Industries[2] is the proprietor of the trade mark FIELD MARSHAL, with effect from 1965, for centrifugal pumps. Jain, however, never used the mark for centrifugal pumps till 1988, through its successor-in-interest, Thukral Mechanical Works[3], to whom it assigned the mark in 1986.

8. PM Diesels Private Limited[4] does not hold any registration of the mark FIELDMARSHAL for centrifugal pumps. It, however, commenced using the FIELDMARSHAL mark for centrifugal pumps in 1975. By 1988, when Thukral started using its registered FIELD

[2] "Jain" hereinafter
[3] "Thukral" hereinafter
[4] "PMD" hereinafter

MARSHAL mark for centrifugal pumps, PMD had acquired substantial goodwill and reputation.

9. *The Supreme Court, in para 36 of its judgment in* ***Thukral Mechanical Works v. P.M. Diesels***[5]*, categorically holds that, as Jain was the only registered proprietor of the FIELD MARSHAL mark for centrifugal pumps, PMD, in using the* FIELDMARSHAL *mark for centrifugal pumps, infringed Jain's registration.* (One of the errors in the impugned judgment, to our mind, is that it completely overlooks this finding of the Supreme Court.)

10. By virtue of the Supreme Court's finding on infringement, Jain would be entitled to injunct PMD from further use of the FIELDMARSHAL mark for centrifugal pumps. The goodwill earned by PMD by the said use cannot be a defence to an injunction, once the use is found to be infringing.

11. Jain, however, never used the FIELD MARSHAL mark for centrifugal pumps, and assigned the mark to Thukral in 1986. Thukral commenced user of the mark for centrifugal pumps in 1988. In the meanwhile, PMD acquired considerable goodwill and reputation in the mark FIELDMARSHAL for centrifugal pumps by dint of continuous user since 1975.

[5] **(2009) 2 SCC 768**

12. By dint of the goodwill so acquired, PMD would be entitled to injunct Thukral from continued user of the FIELD MARSHAL mark for centrifugal pumps on the ground of passing off. This position also flows from the judgment of the Supreme Court in ***Neon Laboratories v. Medical Technologies Ltd***[6].

13. This case, therefore, presents, to our mind, a textbook case of the "Kerly impasse".

14. With that brief prefatory note, we proceed to a more exhaustive discussion of the facts and legal issues involved.

Facts

II. The *dramatis personae*

15. PMD was the registered proprietor of the word mark FIELDMARSHAL, in Class 7, *vide* Registration No. 224879, for diesel oil engines and parts thereof, under Section 23 of the Trade and Merchandise Marks Act, 1958[7], with effect from 16 October 1964.

16. Jain was the registered proprietor of the word mark FIELD MARSHAL, in Class 7, *vide* Registration No. 228867, for centrifugal pumps, flour mills, machine couplings, pulleys and valves, with effect from 13 May 1965.

[6] **(2016) 2 SCC 672**
[7] "the 1958 TMMA" hereinafter

17. Thukral was a partnership firm of Ganga Ram Anil Kumar (HUF), Sunil Kumar and Sumita Rani, registered *vide* Partnership Deed dated 1 April 1989. With effect from 1 April 1992, the partnership was reconstituted, after which the partners were Ganga Ram, Sunil Kumar and Sumita Rani. Ganga Ram retired from the partnership on 1 April 1999, on which date a fresh Partnership Deed was executed between Sunil Kumar and Sumita Rani. Sunil Kumar retired on 1 April 2002, whereupon Thukral became a sole proprietorship of Sumita Rani.

III. Trajectory of Proceedings

A. Proceedings relating to **Suit 2408/1985** and **CO 6/1987**

18. PMD instituted **Suit 2408/1985**[8] before this Court, alleging that Thukral was manufacturing and selling centrifugal pumps under the mark FIELD MARSHAL and was, thereby, infringing the registered FIELDMARSHAL trade mark of PMD and also passing off its goods as those of PMD. In the said suit, an *ex parte ad interim* injunction, restraining Thukral from using the mark, was granted by this Court on 19 December 1985.

19. During the pendency of the 1985 suit, Jain assigned its registered FIELD MARSHAL trade mark, along with the goodwill therein, to Thukral, *vide* Assignment Deed dated 30 May 1986. The

[8] "the 1985 suit" hereinafter

Assignment Deed recorded the fact that Thukral had been using the FIELD MARSHAL trade mark since 1973.

20. Thukral accordingly applied, to the Registrar of Trade Marks, for substituting its name as the registered proprietor of the FIELD MARSHAL trade mark in place of Jain. *Vide* order dated 10 November 1986, the Assistant Registrar of Trade Marks allowed the application and registered Ganga Ram Anil Kumar (HUF), Sunil Kumar and Sumita Rani, trading as Thukral, as the registered proprietor of the FIELD MARSHAL trade mark in the Register of Trade Marks, with effect from 30 May 1986.

21. In the interregnum, PMD filed **CO 9/1986** before this Court under Section 46(1)(b)[9] and 56[10] of the 1958 TMMA against Jain in

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[9] **46. Removal from register and imposition of limitations on ground of non-use**.—
(1) Subject to the provisions of Section 47, a registered trade mark may be taken off the register in respect of any of the goods in respect of which it is registered on application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved on the ground either—

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(b) that up to a date one month before the date of application, a continuous period of five years or longer had elapsed during which the trade mark was registered and during which there was no *bona fide* use thereof in relation to those goods by any proprietor thereof for the time being :

Provided that, except where the applicant has been permitted under sub-section (3) of Section 12 to register an identical or nearly resembling trade mark in respect of the goods in question or where the tribunal is of opinion that he might properly be permitted so to register such a trade mark, the tribunal may refuse an application under clause (*a*) or clause (*b*) in relation to any goods, if it is shown that there has been, before the relevant date or during the relevant period, as the case may be, *bona fide* use of the trade mark by any proprietor thereof for the time being in relation to goods of the same description, being goods in respect of which the trade mark is registered.

[10] **56. Power to cancel or vary registration and to rectify the register**.—
(1) On application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved, the tribunal may make such order as it may think fit for cancelling or varying the registration of a trade mark on the ground of any contravention, or failure to observe a condition entered on the register in relation thereto.
(2) Any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to a High Court or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think it.

November 1986, seeking that the registration of the FIELD MARSHAL trade mark in favour of Jain be removed from the Register of Trade Marks, as Jain had not used the mark for five years and one month prior to filing of the petition.

22. **CO 9/1986** came up before this Court on 16 January 1987, on which occasion Thukral pointed out, to this Court, that its name had been substituted as the registered proprietor of the FIELD MARSHAL trade mark in the Register of Trade Marks in place of Jain. PMD, therefore, sought permission to withdraw **CO 9/1986** with liberty to file a fresh rectification proceeding on the same cause of action, which was granted by this Court.

23. Consequent on the liberty so granted, PMD filed **CO 6/1987**, before this Court, against Thukral, again under Section 46(1)(b) of the 1958 TMMA, without impleading Jain as a party. The petition pleaded that the cause of action for filing it arose in favour of PMD and against Thukral on 16 January 1987, when Thukral informed this Court that it stood substituted as the proprietor of the FIELD MARSHAL trade mark in the Register of Trade Marks.

24. On 19 January 1988, this Court modified the *ex parte ad interim* injunction earlier granted on 19 December 1985 in the 1985 suit, following Thukral having become the registered proprietor of the FIELD MARSHAL trade mark. Thukral was permitted to use the trade mark, but not to copy the logo/style used by PMD, and also to

mention, on each centrifugal pump sold by it under the FIELD MARSHAL trade mark, its name and address (as "Sirhind").

25. As was subsequently noted by the Supreme Court in para 12 of its judgment in ***Thukral Mechanical Works***, this order dated 19 January 1988 was never challenged.

26. **CO 6/1987** was transferred to the Intellectual Property Appellate Board[11], which dismissed it on 27 October 2004 on the ground that, as the petition had been filed against Thukral, the period of five years' non-use would have to reckon from the date when Thukral became the registered proprietor of the mark, i.e. 30 May 1986 and that, therefore, the petition was premature.

27. PMD challenged the said order before this Court by way of **WP (C) 19632/2004**[12]. *Vide* order dated 5 July 2005, a learned Single Judge of this Court declined the prayer for stay of operation of the judgment of the IPAB. This order was carried in appeal to the Division Bench of this Court *vide* **LPA 2063/2005**[13]. By judgment dated 18 January 2006, the Division Bench allowed the LPA as well as WP (C) 19632/2004, observing and holding that (i) Jain had never used the FIELD MARSHAL mark, (ii) PMD and Thukral alone had used the mark and (iii) Thukral claimed proprietorship of the mark with effect from 30 May 1986 when it was assigned to Thukral by Jain. This

[11] "IPAB" hereinafter
[12] **P.M. Diesels Pvt Ltd v. Thukral Mechanical Works & Anr**
[13] **P.M. Diesels Pvt Ltd v. Thukral Mechanical Works & Anr**

Court, therefore, set aside the order dated 27 October 2004 of the IPAB and directed the IPAB to decide **CO 6/1987** on merits.

28. Thukral challenged the judgment of the Division Bench before the Supreme Court. It was this challenge which was finally adjudicated by the Supreme Court *vide* the judgment in ***Thukral Mechanical Works***.

B. Proceedings culminating in judgment dated 18 December 2008 of the Supreme Court in ***Thukral Mechanical Works***

29. The following observations and findings of the Supreme Court merit reproduction:

> "19. It is in the aforementioned situation, we are called upon to determine the meaning of the words "for the time being" occurring in Section 46(1)(*b*) of the Act. Two interpretations thereto which are possible are:
>
> > *(1) The said words would denote non-use of the trade mark in relation to the goods by the appellant for a period of five years or longer; and*
> >
> > *(2) The mark had not been used for a period of five years or longer either by the present proprietor thereof or his predecessor.*
>
> *****
>
> 24. The question which, therefore, arises is as to who can prove that he had the bona fide intention to use the trade mark on the date of application for registration. Indisputably, it would be the registered proprietor. *Section 46 is a penal provision. It provides for civil or evil consequences. It takes away the valuable right of a registered proprietor. It, therefore, can be taken away only when the conditions laid down therefor are satisfied.*

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26. It must not, however, be forgotten that Section 46(1)(b) provides for a special remedy. *As a person obtains a right on and from the date of registration and/or renewal thereof, he cannot ordinarily be deprived of his right unless it is shown that the assignment thereof by its holder was not a bona fide one or had been made by way of camouflage. If the assignee has obtained assignment for bona fide use, he may not be fastened with any liability owing to non-user on the part of his predecessor. In other words, the mistake of the predecessor should not be visited with non-use of the present registered owner.*

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30. *The submission of Mr Sudhir Chandra that the appellant was an infringer both of the right of M/s Jain Industries as also the first respondent and, thus, its use was not bona fide in a case of this nature cannot be accepted. If the appellant infringed the right of M/s Jain Industries, it was for it to take action therefor. It did not.* The first respondent itself accepts that at least immediately prior to the institution of the suit, the appellant had been using the same. We are not concerned herein as to since when it had been doing so. *It obtained an order of injunction. The order of injunction was vacated*. For one reason or the other, the said order attained finality. *Prima facie, therefore, the appellant has been held to be the registered owner of the trade mark. It is one thing to say that for the purpose of frustrating an application for rectification, the appellant had colluded with its predecessor for the purpose of trafficking by entering into the deed of assignment which is otherwise illegal and bad in law but it is another thing to say that the appellant could be proceeded against alone for non-user of the registered trade mark for a period of more than five years. For the purpose of making out such a case, both the original registrants as also the assignee were required to be impleaded as parties.*

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32. The court while construing a statute takes into consideration the parliamentary intent in amending the provisions thereof. It seeks to enhance the period of moratorium of use of the registered trade mark from one month to three months so as to prevent speculative assignment. Thus, *a case of speculative assignment is specifically required to be made out. Such an application may be maintainable in terms of Section 56 of the Act but strictly not in terms of Section 46(1)(b) thereof and that too in the absence of the original registered proprietor.*

33. We are not satisfied with the explanation offered by the first respondent that it gave up the case of non-use of the registered trade mark against M/s Jain Industries on the basis of statement made by the learned counsel for the appellant; firstly, because consent does not confer jurisdiction; secondly, because want and/or lack of jurisdiction on the part of the Tribunal cannot be waived as if any order is passed without jurisdiction, the same would be a nullity; and thirdly, *because the cause of action, even according to the first respondent in his application before the High Court, was different.*

34. The counsel appearing on behalf of the appellant did not state that it had waived its right so far as non-impleadment of M/s Jain Industries was concerned. It only consented for grant of liberty in favour of the first respondent for filing of an application for the selfsame cause of action. *The question of maintainability of the second suit in absence of the registrant proprietor was not and could not have been the subject-matter of consent at that stage. The cause of action which permitted the first respondent to file an application for rectification against M/s Jain Industries was non-user thereof by it. Its non-user and rectification of the register could not, in the aforementioned situation, have been tagged with the cause of action, if any, against the appellant.*

35. The second contention of Mr Sudhir Chandra that the appellant was an infringer of the trade mark is again a question of fact. *The right of the first respondent as a proprietor of the trade mark by reason of a long user is required to be determined vis-à-vis M/s Jain Industries as also the appellant in the suit filed by it which is pending. The Board could not, while exercising its jurisdiction under Section 46(1)(b) of the Act, proceed on the basis of such presumption.*

36. *It is not correct that no cause of action survived against M/s Jain Industries. It was not lost by reason of assignment as was contended by the learned counsel. In the suit, only the competing right of the first respondent qua the appellant can be determined and not a right against M/s Jain Industries. Such a right cannot be determined in a proceeding under Section 46(1)(b) of the Act which is restricted to non-user of the registered trade mark. Both the appellant and Respondent 1 were the infringers of the right of M/s Jain Industries as it was the registered proprietor of the trade mark in respect of the goods in question, namely, centrifugal pumps.*

37. Two interpretations of the said provision Section 46(1)(*b*) are possible. While interpreting the same, however, certain basic

principles of construction of statute must be kept in mind. *As it takes away somebody's right, it deserves strict construction.* Jurisdiction of the Board being dependent on determination of the foundational facts, the same was required to be established on the basis of the averments made in the application and not otherwise.

38. *The right of a registered trade mark is not lost automatically on the expiry of five years and one month. It does not provide for a "sunset" law. It has to be adjudicated upon.* Whether the registered proprietor of the trade mark had taken recourse to trafficking or not must be determined in an appropriate proceeding. The principle of "purchaser of a property has a duty to make enquiries", therefore, cannot apply in a case of this nature. *So long as the right to assign a registered trade mark remains valid, once the same is validly assigned, the assignee derives the same right as that of the assignor in terms of the statute. A title to a trade mark derived on assignment as provided for under the Act cannot be equated with a defective title acquired in any other property as admittedly on the date of assignment, the right of the registered trade mark was not extinguished.*

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40. Our attention has again been drawn to a passage from Law of Trade Marks & Geographical Indications by Shri K.C. Kailasam, wherein the judgment of the Tribunal has been criticised in the following terms:

> "From the above legislative intent, it would seem that the period of non-use of the trade mark is to be reckoned continuously from the date of its registration. In ***American Home Products Corpn. v. Mac Laboratories (P) Ltd.***[14] rendered under the 1958 Act, it was held by the Supreme Court that 'the person seeking to have the trade mark removed from the register has only to prove such continuous non-user'.
>
> It would appear that neither the UK Act, nor the Indian Act, at any time envisaged that the commencement of 5 year period of non-use is to be delinked from the date of registration of the mark, so as to give a fresh lease of life to the registration every time there is change in the ownership of the mark. If that be so, any registered proprietor could easily defeat an application for rectification by assigning the mark to some other person to have a fresh period of 5

[14] **(1986) 1 SCC 465**

> years from the date of assignment and thus effectively frustrate the very object of the provision in Sections 47(1)(*a*) and (*b*). Further, it is to be noted that an assignment is subject to 'the provisions of the Act and any rights vested in any other person' — see Section 37. The assignor cannot obviously transfer more rights than he himself has to the assignee under the Act."
>
> We do not think that the approach of the learned author is entirely correct. An assignor can transfer only such right which he possesses. If his title is not extinguished by reason of a provision of a statute for non-user of the trade mark for a period of five years, any assignment made shall be valid subject to such situation which we have noticed in para 30 supra.
>
> 41. For the views we have taken, we are of the opinion that the impugned judgment cannot be sustained. It is set aside accordingly. The Board shall, however, proceed to determine afresh the application filed by the first respondent *in the light of the legal principles explained above."*
>
> (Emphasis supplied)

30. Thus, the proceedings before the Supreme Court were those that emanated from **CO 6/1987**. The IPAB dismissed the petition, the High Court reversed the decision of the IPAB and remanded the matter to the IPAB for a decision on merits, and the Supreme Court, while maintaining the direction to the IPAB to decide **CO 6/1987** *de novo*, clarified that the decision was required to be taken in the light of the principles explained by the Supreme Court in its judgment.

31. It becomes necessary, therefore, to cull out the principles contained in the judgment of the Supreme Court, thus:

(i) Section 46(1)(b) of the 1958 TMMA envisaged removal of a mark from the Register of Trade Marks provided the proprietor of the registered trade mark had not used the mark

for the time being, for a period of five years and one month prior to the filing of the rectification application.

(ii) The Supreme Court was required to interpret the expression "for the time being".

(iii) *The Court was, therefore, required to determine whether the period of five years' non-use was to be of Thukral alone, or of Thukral or his predecessor Jain*.

(iv) Section 46, inasmuch as it took away the right of a registered proprietor to use his mark, had to be strictly construed. Strict satisfaction of the conditions of the Section was, therefore, necessary.

(v) A person obtained the right to use a mark from the date of its registration in his name. Where the mark had been assigned to him by any earlier registrant, therefore, his right to use the mark could ordinarily be divested only if the assignment was not *bona fide* or was by way of camouflage.

(vi) *If the assignment to the assignee was bona fide, his registration could not be cancelled under Section 46(1)(b) because of non-use by his assignor. The mistake of the predecessor could not be visited on the successor.*

(vii) *PMD's contention that Thukral's use of the FIELD MARSHAL mark was not bona fide as it infringed the rights of Jain as well as of PMD was rejected*, for the following reasons:

(a) If Thukral had infringed Jain's registered trade mark, it was for Jain to sue Thukral, which it did not.

(b) PMD had sued Thukral and obtained an *ex parte ad interim* order of injunction against Thukral using the FIELD MARSHAL mark on 19 December 1985 which was, however, vacated on 19 January 1988.

(c) The order dated 19 January 1988 also held Thukral to be the registered owner of the FIELD MARSHAL mark. That order was never challenged.

(d) PMD's contention that it gave up its case of non-use of the FIELD MARSHAL mark against Jain because of the statement made by Thukral before the Court on 19 January 1988 was not found acceptable. Even the cause of action for instituting CO 6/1987, as pleaded therein, was stated to commence from 19 January 1988, consequent on Thukral asserting its registration of the mark.

(viii) *Any allegation that the assignment of the FIELD MARSHAL mark by Jain to Thukral was collusive or*

speculative in nature could not be made without impleading Jain in the proceedings.

(ix) Besides, a case of speculative assignment may have been a ground to seek cancellation of Thukral's registration of the FIELD MARSHAL mark under Section 56, but not under Section 46(1)(b).

(x) *Without impleading Jain, PMD could not have pleaded non-user of the FIELD MARSHAL mark by Jain as a ground to remove the registration of the mark* which was in favour of Thukral, in CO 6/1987.

(xi) Any right of PMD, over the FIELDMARSHAL mark for centrifugal pumps, consequent on extended user by it, would have to be adjudicated, *vis-à-vis* Jain and Thukral, in the 1985 suit. The IPAB could not proceed on any such presumption while deciding **CO 6/1987**.

(xii) **CO 6/1987** was under Section 46(1)(b) of the 1958 TMMA, which was restricted to non-user. The right of PMD qua Jain or Thukral could not be determined in these proceedings.

(xiii) In respect of centrifugal pumps, Jain was the only registered proprietor prior to the Assignment Deed dated 30 May 1986 of the mark FIELD MARSHAL. *As such, PMD and*

Thukral were both infringers of the said registration, to the extent they used the mark for centrifugal pumps.

(xiv) The IPAB was required to exercise jurisdiction, under Section 46(1)(b), on the basis of the averments in the rectification petition filed under the said section, and not otherwise.

(xv) A valid assignment of a trade mark conferred, on the assignee, the same rights as vested in the assignor prior to assignment as, on the date of assignment, the assignor had a valid registration in the mark.

C. Proceedings relating to **CS (OS) 3804/1992**[15] [later renumbered **CS (Comm) 473/2016**]

32. In the interregnum, in the year 1992, Thukral filed **CS (OS) 3804/1992** against PMD and two other defendants, seeking an injunction against PMD using the mark FIELDMARSHAL, on the ground that it infringed the registration of the mark FIELD MARSHAL in favour of Thukral, consequent on the Assignment Deed dated 30 May 1986, as well the user of the mark FIELD MARSHAL by Thukral since 1973. In 2002, consequent on Sumita Rani becoming the sole proprietor of Thukral, the cause title of **CS (OS) 3804/1992** was amended to read ***Sumita Rani v. Nitin Machine Tools Pvt Ltd & Ors***.

[15] "the 1992 suit" hereinafter

33. Consequent on the enactment of the Commercial Courts Act, 2015, **CS (OS) 3804/1992** was renumbered **CS (Comm) 473/2016**.

D. Proceedings relating to **WP (C) 28/2021, WP (C) 29/2021, WP (C) 31/2021, WP (C) 32/2021, WP (C) 33/2021, WP (C) 34/2021, WP (C) 35/2021, WP (C) 36/2021, WP (C) 38/2021 and WP (C) 39/2021**[16]

34. PMD filed 10 applications, under Section 23 of the 1958 TMMA, seeking registration of the word mark FIELDMARSHAL in Class 7 for diesel oil engines and parts thereof, centrifugal pumps, submersible pumps, electric motors, mono block and foot valves, claiming user since 1975. Thukral opposed the applications. The applications were rejected by the Assistant Registrar of Trade Marks on 12 August 1992. PMD appealed to the IPAB. The IPAB dismissed the appeals on 11 February 2005.

35. PMD, *vide* these 10 writ petitions, challenged the orders dated 11 February 2005 of the IPAB.

IV. The Impugned Judgment – Findings of the learned Single Judge

A. PMD is the prior user of the mark FIELDMARSHAL

36. The learned Single Judge first holds PMD to be the prior user of the mark FIELDMARSHAL, proceeding on the following reasoning:

[16] All titled **P.M. Diesels Pvt Ltd v. Thukral Mechanical Works & anr**, and collectively referred to, hereinafter, as "the writ petitions"

(i) Original invoices, which were on record, indicated use of the mark FIELDMARSHAL by PMD since 1963. These evidenced substantial sales of products by PMD, under the mark FIELDMARSHAL, since the early 1960s.

(ii) Invoices from J. Chandrakant & Co.[17] documented use of the mark FIELDMARSHAL by PMD, for diesel engines and centrifugal pumps, in the 1970s.

(iii) Brochures and advertisements in various newspapers evidenced use of the mark FIELDMARSHAL by PMD since the 1960s and 1970s. These also indicated the use of FIELDMARSHAL by PMD for centrifugal pumps since the 1970s.

(iv) The Trade Mark registrations held by PMD stated the use of the mark FIELDMARSHAL by PMD to be since 1963.

(v) Several banks, and other institutions, had approved the products of PMD.

(vi) Though Jain's registration for the word mark FIELD MARSHAL was of 13 May 1965, and claimed user of the mark by Jain since 1963, no document, evidencing such use, was forthcoming.

[17] "JCC" hereinafter

(vii) The earliest invoices produced by Thukral were of 1978, in which the word FIELD MARSHAL had been superimposed, with the printed invoice reflecting the mark BMS.

(viii) The earliest advertisement or printed invoice produced by Thukral showing the use of the mark FIELD MARSHAL was of 1988.

(ix) There was only one page, in Jain's catalogue, showing a flour mill bearing the mark FIELD MARSHAL.

(x) In the absence of any documentary evidence, it was incumbent on Thukral to produce collateral evidence of prior use of the FIELD MARSHAL mark by Jain. It failed to do so.

(xi) There was absolutely no evidence to indicate that Jain was using the mark FIELD MARSHAL for centrifugal pumps.

(xii) Further,

(a) PW-1 Sushil Thukral claimed to have seen invoices from 1965 for centrifugal pumps, but provided no supportive basis,

(b) the dealers DW-2 Faqueer Chand and DW-3 Padam Chand stated that they had been purchasing FIELD MARSHAL branded centrifugal pumps only since 1983, and were unable to produce any evidence of purchases or sales from 1970 to 1981, and

(c) invoices and advertisements were all of 1985 vintage.

37. Predicated on the above reasoning, therefore, the learned Single Judge holds that PMD was the prior user of the mark FIELDMARSHAL for diesel engines, centrifugal pumps, monoblock pumps, submersible pumps and other related products.

B. Diesel engines and centrifugal pumps were allied and cognate goods

38. Thukral contended, before the learned Single Judge, that as PMD's registration for FIELDMARSHAL was for diesel engines, and Thukral was using the mark for centrifugal pumps, there was no infringement, the goods being different.

39. The learned Single Judge has rejected the plea on the following reasoning:

(i) The evidence on record, in the form of original invoices, advertisements and newspapers demonstrated that the mark FIELDMARSHAL was distinctive and adopted by PMD.

(ii) The mark was initially used for diesel engines, with PMD expanding the use of the mark, later, to pumps, including monoblock and centrifugal pumps.

(iii) PMD was having centrifugal pumps manufactured from third parties for sale across the country.

(iv) Diesel engines and centrifugal pumps were both used in the agricultural sector. In the absence of electricity, centrifugal pumps needed electricity to run.

(v) With respect to centrifugal pumps or diesel engines, the mark FIELDMARSHAL was arbitrary, and was neither generic nor descriptive. It was, therefore, entitled to a high level of protection.

(vi) The use of the mark FIELDMARSHAL for diesel engines and other products in the agricultural sector would obviously result in likelihood of confusion.

(vii) The fact that Thukral had filed CS (OS) 3804/1992 seeking injunction on the ground of infringement and passing off indicated that Thukral also acknowledged the likelihood of confusion which would arise consequent on simultaneous use of the FIELDMARSHAL mark.

(viii) Witnesses had deposed to state that diesel engines and centrifugal pumps were available for sale in the same shops and counters. The class of consumers who purchased the two products was, therefore, the same.

40. As such, holds the learned Single Judge, centrifugal pumps were allied and cognate to diesel engines.

41. The learned Single Judge proceeds, thereafter, to deal with the individual litigations as under.

C. Re. the 1985 suit [***P.M. Diesels Ltd v. Thukral Mechanical Works***]

C.1 Re. Issue 1 - Whether the suit was barred by acquiescence, laches and delay and Issue 6 - Whether PMD had misrepresented facts

42. These issues have been decided by the learned Single Judge in favour of PMD and against Thukral on the following reasoning:

(i) PMD had specifically contended that it had encountered Thukral's products in the market in 1985 and proceeded promptly to file the suit. The fact that PMD had encountered Thukral's products in the market in 1985 was also borne out by the evidence of PW-2 Chandra Kant Popat Lal Patel. It was for this reason that, in 1987, PMD filed CO 6/1987 against Thukral.

(ii) PW-3 also confirmed that Thukral was selling pumps under the marks BMS, DPF, etc, and produced bills to prove the point. PW-5 also confirmed that he had purchased centrifugal pumps from Thukral under the mark BMS. He produced a bill of Thukral, of 1979, which did not bear the mark FIELD MARSHAL. Similarly, PW-6, another dealer of PMD, also

produced the original bill of Thukral, dated 18 December 1979, which did not feature the FIELD MARSHAL mark.

(iii) The preponderance of evidence supported PMD, and established that PMD had been selling diesel oil engines since 1963 and centrifugal pumps at least since 1975.

(iv) Though Thukral sought to submit that one Karam Chand Aneja, who was PMD's selling agent, was aware of the use, by Thukral, of the FIELD MARSHAL mark for centrifugal pumps, knowledge by Karam Chand Aneja, even if it were to be presumed, could not be attributed to PMD. This was also clear from the cross-examination of Mr. Karam Chand Aneja, who deposed as PW-3, to the effect that he was never an employee of PMD and had never worked as a servant of PMD.

(v) Acquiescence, in order to operate as a defence against an injunction in a case of infringement had to be of such a level, as would constitute indirect encouragement, as held by the Division Bench of this Court in ***H.S. Sahni v. Mukul Singhal***[18].

(vi) There could be no question of any delay, laches or acquiescence operating against PMD, as PMD had, since inception, taken steps to oppose the use and registration of the mark FIELD MARSHAL by Thukral, including issuance of legal notice dated 22 June 1982, filing oppositions against

[18] **(2023) 298 DLT 390**

Thukral's applications, filing the 1985 suit and filing of rectification petitions.

(vii) There was nothing to indicate that PMD had knowledge of Thukral's use, prior to 1985, of the mark FIELD MARSHAL.

(viii) Thukral has itself applied for registration of the mark FIELD MARSHAL on 10 December 1983. During opposition proceedings in connection with the said application, Thukral filed the evidence of Anil Kumar Thukral, relying on the number of invoices, copies of which were also filed before the learned Single Judge. On PMD pointing out that the original invoices did not bear the mark FIELD MARSHAL, Thukral withdrew the documents *vide* letters dated 20 March 1983 and 30 March 1987. This fact was admitted by DW-1 in cross-examination. This also indicated that Thukral was unable to establish use of the mark.

(ix) Thus, it was Thukral which had resorted to misrepresentation by tampering with invoices in order to obtain registration of the FIELD MARSHAL mark in its favour.

43. The learned Single Judge, therefore, decided Issues 1 and 6 in favour of PMD and against Thukral.

C.2 Issues 2 and 4

44. Issue 2, which pertained to territorial jurisdiction, was not seriously contested by the parties, either before the learned Single Judge or before us.

45. Issue 4 was as to whether Thukral had infringed the registered copyright of PMD. The learned Single Judge held that the device used by Thukral was not similar to the copyrighted artistic work of PMD and that, therefore, there was no copyright infringement. This finding has also not been contested before us.

C.3 Issue No. 3 - Whether Thukral's goods, under the trademark FIELD MARSHAL, were being passed off as PMD's goods? AND Issue 7 – Whether PMD was the proprietor of the trademark FIELDMARSHAL and had the right of exclusive use thereof in respect of centrifugal pumps or other goods in the same class or description?

46. The learned Single Judge has decided both these issues in favour of PMD and against Thukral and has, consequently, decreed the suit in the said terms, on the following reasoning:

(i) PMD had succeeded in establishing adoption, by it, of the mark FIELDMARSHAL since 1963. It was using the mark for diesel oil engines and other goods. It had substantial sales and turnover and a long list of dealers. These facts had also been confirmed by the dealers who appeared as witnesses.

(ii) Thukral had not produced any document to prove use of the mark FIELDMARSHAL by Jain on centrifugal pumps.

(iii) Thukral sought to contend that PMD had to show goodwill on the date of adoption of the mark FIELDMARSHAL by Jain, and use after such an adoption was of no consequence.

(iv) Registration did not confer goodwill. Use did. In the absence of any evidence to show use of the mark FIELDMARSHAL by Jain since 1965, PMD's user had to be given preference and precedence. PMD had undoubtedly used the mark FIELDMARSHAL for diesel oil engines and, thereafter, adopted the mark for centrifugal pumps, monoblock pumps and related goods.

(v) In such circumstances, use of the mark FIELDMARSHAL by Thukral undoubtedly constituted passing off, as the marks were identical, the goods were cognate and allied, the class of consumers targeted were identical and the trade channels were identical, thereby satisfying the triple identity test.

(vi) Thukral's contention that it was not required to show user of the FIELDMARSHAL by Jain after 1965, when it was registered in favour of Jain for centrifugal pumps, was contrary

to the established principle that registration alone did not confer rights without corroborative use.

(vii) Thukral's adoption of the mark FIELDMARSHAL, in the same field as PMD, was dishonest. Its attempt to legitimise the user by obtaining an assignment from Jain, could not help it, as Jain had also not used the mark for centrifugal pumps. The use, by Jain, of the FIELDMARSHAL mark was also for flour mills.

(viii) The judgments of the Supreme Court in ***N.R. Dongre v. Whirlpool Industries***[19], ***S. Syed Mohideen v. Sulochana Bai***[20] and ***Neon Laboratories*** made it clear that even a registered proprietor of a mark could be sued for passing off.

(ix) PMD was the first adopter and user of the mark FIELDMARSHAL. The subsequent adoption of the same mark by Thukral, whether through Jain or otherwise, resulted in passing off, as the goods were similar.

(x) The subsequent registration of the mark in favour of Jain for centrifugal pumps did not constitute a valid defence to a passing off action.

47. Following the above reasoning, the learned Single Judge decreed the suit in terms of prayers 16(i) and 16(ii) thereof, which read thus:

[19] **(1996) 5 SCC 714**
[20] **(2016) 2 SCC 683**

> "16. It is, therefore, most humbly prayed that decree be passed in favour of the plaintiff and against the defendants to the following effects:-
>
> i) For perpetual injunction restraining the defendants, their servants, agents, representatives, dealers, and all other persons on their behalf from manufacturing selling or otherwise dealing in diesel oig engines and parts thereof, electric motors, agricultural pumps or centrifugal pumps or parts thereof or any other goods of the same description under the trade mark FIELD MARSHAL or any other trade mark identical and/or deceptively similar to the plaintiff's registered trade mark FIELD MARSHAL.
>
> ii) For perpetual injunction restraining the defendants, their servants, agents, representatives and all other persons on their behalf from passing off diesel oil engines, and parts thereof such as pumps and electric motors and bends, valves etc. under the trade mark FIELD MARSHAL and/or any other trade mark which may be identical and/or deceptively similar to plaintiff's trade mark FIELD MARSHAL."

Thukral was further given a period of six months to exhaust its stock, but was permanently injuncted from any fresh manufacturing under the mark FIELDMARSHAL.

D. Re. **CS (Comm) 473/2016 [*Sumita Rani v. Nitin Machine Tools*]**

48. The findings and decision of the learned Single Judge on the following issues, framed in CS (Comm) 473/2016, are relevant.

D.1 Re. Issue 3 – Whether PMD was the registered owner of the FIELD MARSHAL mark for centrifugal pumps and other goods?

49. On this aspect, the learned Single Judge holds thus:

(i) Though the Assignment Deed dated 30 May 1986 recorded Jain's satisfaction that Thukral had been using the mark FIELDMARSHAL for centrifugal pumps since 1973, the basis thereof was unknown. A mere recital could not lead to an inference, or a conclusion, that Thukral had used the mark.

(ii) Though Jain had registered the FIELDMARSHAL mark for flour mills, circulating and centrifugal pumps, coupling for machines, pulleys and valves, parts of machines, the assignment, *vide* the Assignment Deed dated 30 May 1986, of the FIELDMARSHAL mark, was only for circulating and centrifugal pumps. The Registrar, therefore, erred in substituting Thukral, in the Register of Trade Marks, as the subsequent proprietor for all goods covered by the FIELDMARSHAL mark, as earlier registered in favour of Jain.

(iii) Thukral's contention that the Supreme Court had upheld the validity of the registration of the FIELDMARSHAL mark in favour of Jain was incorrect, as the matter had been remanded for decision afresh, and the Suit and the Rectification proceedings had been consolidated.

(iv) User had, therefore, to be established by Thukral, either directly or through Jain, of the FIELDMARSHAL mark for centrifugal pumps.

(v) Thukral had not used the FIELDMARSHAL mark till 1985, as had already been held. CO 6/1987 was filed in 1987.

(vi) Jain claimed 1963 user in its Trade Mark Application, but 1973 user in Clause 2 of the Assignment Deed. This was a glaring contradiction.

(vii) The only product on which FIELDMARSHAL appeared, in Jain's catalogue, was a flour mill.

(viii) There was, therefore, no user of the FIELDMARSHAL mark by Jain.

(ix) The evidence of user of the mark by Thukral was not credible.

(x) As Jain had no right to obtain a registration of the FIELDMARSHAL mark, it could not pass on a better title to Thukral.

50. Following this reasoning, the learned Single Judge directs the registration of the FIELDMARSHAL mark in favour of Jain, as assigned to Thukral, to be cancelled.

D.2 Re. Issue 4 – Whether Thukral was the prior user of the FIELDMARSHAL trade mark in respect of centrifugal pumps

51. The learned Single Judge holds that PMD had been able to prove its prior user of the FIELDMARSHAL mark and, therefore, decides this issue against Thukral.

D.3 Re. Issue 5 – Whether Thukral acquiesced to the user of the FIELDMARSHAL mark by PMD

52. This issue has also been decided, by the learned Single Judge, against Thukral, following the finding that PMD had been using the FIELDMARSHAL mark since 1975 for centrifugal pumps. CS (OS) 3804/1992 has, therefore, been termed by the learned Single Judge to be an "afterthought" and a counterblast to the 1985 suit. Despite having always been aware of the use of the FIELDMARSHAL mark by PMD, the learned Single Judge holds that Thukral never objected to such use.

D.4 Re. Issue 6 – Whether the use of the mark FIELD MARSHAL by PMD amounted to infringement of the registered trade mark of Jain and passing off?

53. The learned Single Judge, therefore, concludes that, as PMD was the prior user of the FIELDMARSHAL mark, even prior to the registration of the mark in favour of Jain, PMD could not be held guilty of passing off. The learned Single Judge also borrows the principle, from ***Laxmikant V. Patel v. Chetanbhai Shah***[21], that the Court has to keep in mind the reasonable possibility of expansion of the business of the plaintiff.

[21] **(2002) 3 SCC 65**

54. The learned Single Judge, therefore, holds that CS (Comm) 473/2016 is liable to be dismissed.

E. Re. **CO 6/1987** [renumbered **CO (Comm IPD-TM) 667/2022**]

55. Following preceding discussions, the learned Single Judge holds that the registration of the FIELD MARSHAL trade mark in favour of Thukral was defective and that, further, no use of the mark by Jain was shown.

56. The impugned judgment further observes as under:

> "136. This Court found that Thukral had not used the mark 'FIELDMARSHAL' prior to 1985, and further, M/s. Jain Industries had not used it for their products, except for a flour mill as shown in a catalogue, extracted above. Despite Thukral's claim of use of the mark from 1985, and the cancellation petition being filed in 1987, the earliest printed invoice on record, of Thukral bearing the mark 'FIELDMARSHAL' are from 1988, subsequent to the filing of the cancellation petition. Thus, the use of the said mark by Thukral does not meet the five-year requirement under Section 46(1)(b) of the 1958 Act.
>
> 137. Further, the assignment of the said mark by M/s. Jain Industries for goods beyond the original assignment deed dated 30th May, 1986 to Thukral shows that it was improperly granted. The Court notes that the said assignment deed ignored the 1985 suit and found the assignment's recordal in favour of Thukral, defective due to lack of evidence of use by M/s. Jain Industries. Thus, this Court concludes that the trade mark registration no. 228867 dated 13th May, 1965 is liable to be rectified or cancelled."

57. The impugned judgment concludes, apropos ***CO (Comm IPD-TM) 667/2022***, by observing that, as there was no use, by Jain, of the

FIELDMARSHAL mark for centrifugal pumps, no goodwill in the said mark could have been assigned by Jain to Thukral. In view thereof, the learned Single Judge holds that Registration No. 228867, dated 13 May 1965, of the mark FIELDMARSHAL, in Class 7, registered in favour of Thukral, is liable to be cancelled and removed from the Register of Trade Marks.

F. Re. **WP (C) 28/2021, WP (C) 29/2021, WP (C) 31/2021, WP (C) 32/2021, WP (C) 33/2021, WP (C) 34/2021, WP (C) 35/2021, WP (C) 36/2021, WP (C) 38/2021** and **WP (C) 39/2021**

58. Following the earlier findings that PMD was the *bona fide* adopter, prior user and legitimate owner of the FIELDMARSHAL mark, the learned Single Judge holds PMD to be entitled to registration of the mark in respect of the goods applied, in Class 7, in different languages. The orders of the IPAB, to the contrary have, therefore, been set aside by the learned Single Judge, who has directed the applications of PMD to proceed to registration. The writ petitions have accordingly been allowed.

Rival Contentions

V. Submissions of Mr. Hemant Singh for the appellant

A. Re. CO 6/1987

59. Appearing for the appellant, Mr. Hemant Singh submits that the learned Single Judge has sought to justify the cancellation of Registration No. 228867, dated 13 May 1965, of the FIELDMARSHAL mark in favour of Jain on the ground of an alleged discrepancy between the user claim in the application filed by Jain, of 1963, and the user claim in the Assignment Deed of 1973, whereas the reference to 1973 in the Assignment Deed was to the user claim of Thukral, not of Jain. Mr. Hemant Singh drew our attention to the issues framed in this suit, of which Issue 3 was worded:

> "Whether the Plaintiff is the registered owner through assignment of the trademark "Field Marshal" in respect of centrifugal pumps? OPP"

Mr. Hemant Singh points out that para 2 of the Assignment Deed dated 30 May 1986 recorded the satisfaction of Jain that Thukral had been using the FIELD MARSHAL mark for centrifugal pumps since 1973. The learned Single Judge, he submits, erroneously conflated this use, by Thukral of the FIELD MARSHAL mark for centrifugal pumps since 1973, with the user of the mark by Jain since 1963, in para 125 of the impugned judgment.

60. Mr. Hemant Singh further points out that the order dated 16 January 1987, passed by this Court, which permitted PMD to withdraw CO 9/86, granted PMD liberty to file a fresh cancellation petition on the same cause of action. Inasmuch as the cause of action, even as per the pleadings in CO 6/1987, was different from the cause of action in CO 9/1986, Mr. Hemant Singh submits that CO 6/1987 deserved to be dismissed even on that ground.

61. Mr. Hemant Singh further submits that the judgment of the learned Single Judge is contrary to the judgment dated 18 December 2008 of the Supreme Court. He points out that, in the said judgment, the Supreme Court specifically held that non-user, by Jain, of the FIELD MARSHAL mark could not be held against Thukral, and submits that this is precisely what the learned Single Judge has done. He points out that, in para 38 of its judgment, the Supreme Court has clearly held that the assignee derived the same rights as the assignor and cites, in this context, the decision in ***Dhariwal Industries v. M.S.S. Foods***[22]. The Supreme Court has further held that Thukral and PMD were both infringers of Jain's registered FIELD MARSHAL mark for centrifugal pumps.

62. Mr. Hemant Singh submits that these observations and findings of the Supreme Court were binding on the learned Single Judge, in view of the specific direction, in the closing paragraph of the judgment of the Supreme Court, that the *de novo* proceedings were required to abide by the observations of the Supreme Court.

63. Mr. Hemant Singh further submits that the impugned judgment is directly contrary to the judgment dated 9 October 2020 of the Single Bench in WP (C) 4846/2011. He places reliance on paras 12 and 14 to 17 of the said judgment. Even for this reason, Mr. Hemant Singh submits that the learned Single Judge erred in relying on non-use of

[22] **(2005) 3 SCC 63**

the FIELD MARSHAL mark by Jain is a ground to justify cancellation of the registration of the said mark in favour of Thukral.

64. Mr. Hemant Singh further takes serious exception to the reference, in paras 2 and 6 of CO (Comm) 6/1987, in which PMD has pleaded that it was engaged in the manufacture of centrifugal pumps. Similarly, in Grounds O, P and Q, PMD asserted that if Thukral was permitted to use the mark FIELD MARSHAL for centrifugal pumps, it would create confusion in the market. The registration of the mark in favour of Thukral was also, therefore, pleaded to be in violation of Section 11(a)[23] of the 1958 TMMA. Use of the mark by Thukral was also alleged to amount to passing off, by Thukral, of its goods as those of PMD.

65. In so far as user of the FIELD MARSHAL mark by Thukral for centrifugal pumps was concerned, Mr. Hemant Singh points out that, in para 12 of the 1985 suit, it has been admitted, by PMD, that it had secured name plates of Thukral from the market on 17 December 1985. The use, by Thukral, of the FIELD MARSHAL mark from 1985 could not, therefore, be disputed. Resultantly, submits Mr. Hemant Singh, no case for rectification of the registration of the FIELD MARSHAL mark in favour of Thukral, existed, within the meaning of Section 47 of the 1958 TMMA.

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[23] **11. Prohibition of registration of certain marks**. – A mark –
(a) the use of which would be likely to deceive or cause confusion; or
*****
shall not be registered as a trade mark.

B. Re. CS (Comm) 473/2016

66. Once the registration of the FIELD MARSHAL mark in favour of Thukral is found to be valid, Mr. Hemant Singh submits that the inevitable sequitur is that the use of the mark FIELDMARSHAL by PMD for centrifugal pumps was liable to be injuncted as amounting to infringement within the meaning of Section 29[24] of the 1958 TMMA.

C. Re. CS (OS) 2408/1985

67. Mr. Hemant Singh submits that, in order to succeed in a passing off action against Thukral, it was incumbent on PMD to prove the existence of goodwill *prior to 1965* when Jain adopted the FIELD MARSHAL mark. There is, he submits, practically no evidence of any such goodwill. All that there is, he submits, are three invoices of 18 May 1963, 6 September 1963 and 5 November 1963, two invoices for advertisements, dated 11 May 1963 and 31 December 1963 and one sheet of paper purportedly showing the volume of sales by Jain, with no corroborative evidence to vouchsafe it. DW-1 Nitin Patel, in cross-examination, he points out, stated that the figures in the sheet had been entered as per the information given to him by his elder brother

[24] **29. Infringement of trade marks**. –
(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or a registered user thereof using by way of permitted use, uses in the course of a trade mark which is identical with, or deceptively similar to, the trade mark, in relation to any goods in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.
(2) In an action for infringement of a trade mark registered in Part B of the register an injunction or other relief shall not be granted to the plaintiff if the defendant establishes to the satisfaction of the court that the use of the mark of which the plaintiff complains is not likely to deceive or cause confusion or to be taken as indicating a connection in the course of trade between the goods in respect of which the trade mark is registered and some person having the right, either as registered proprietor or as registered user, to use the trade mark.

and that he had not personally seen any of the account books, though he acknowledged that Jain's account books were audited by a Chartered Accountant. He had also disclosed his date of birth as 4 January 1962, meaning that, in 1963, 1964 and 1965, for which years sales figures were contained in the sheet, he was three, four and five years of age. This fact, though noted, was brushed aside by the learned Single Judge, in para 106 of the impugned judgment, observing that "in family businesses passed down through generations, evidence is provided based on records and personal knowledge" and that "commercial realities, particularly of businesses that are decades old attempting to establish their case in Court, cannot be overlooked". Mr. Singh submits that this reasoning is completely unsustainable in law.

68. Relying on paras 19 and 20 of the judgment of a Division Bench of the High Court of Bombay in ***Sir Mohammed Yusuf v. D***[25], Mr. Hemant Singh submits that the mere production of a document is no proof of its contents, *sans* the testimony of a competent person testifying thereto.

69. No CA audited, or CA certified, statement of sales and expenses was, however, produced. He cites, in this context, the judgments of the Supreme Court in ***Kalyan Kumar Gogai v. Ashutosh Agnihotri***[26]**,** ***Brihan Karan Sugar Syndicate v. Yashwantrao Mohite***[27] and the judgment of the High Court of Madras in ***I.T.C. Ltd v. Nestle India***

[25] **AIR 1968 Bom 112**
[26] **(2011) 2 SCC 532**
[27] **(2024) 2 SCC 577**

Ltd[28]. Mr. Singh also relies on para 13 of the judgment of the Supreme Court in ***Laxmikant V. Patel v. Chetanbhai Shah***[29], which delineates the ingredients of passing off. Mr. Hemant Singh further relies on Circular dated 19 May 1992 issued by JCC, PMD's distributor, to the effect that the Field Marshal Engine Manufacturing company did not make centrifugal pumps. This was also admitted by PW-2 Chandra Kant Popat Lal Patel in his cross-examination dated 7 February 1996.

70. Sporadic instances of use, submits Mr. Hemant Singh, could not make out a case of goodwill. Thus, submits Mr. Hemant Singh, as there was no evidence of goodwill or reputation, of the FIELDMARSHAL mark for centrifugal pumps, in favour of PMD as on 13 May 1965, no case of passing off was made out.

71. Mr. Hemant Singh further submits that, in fact, Thukral is the prior user of the FIELD MARSHAL mark for centrifugal pumps. He submits that evidence was forthcoming to demonstrate that Thukral had supplied centrifugal pumps to K.C. Aneja and Ram Dhan Aneja at least since 1978. He drew attention, in this context, to (i) invoice dated 25 October 1978 (Ex. PW-5) by Thukral to Marshal Machinery Sales Corporation of Mr. R.D. Aneja, (ii) telegram dated 27 April 1979 by Mr. R.D. Aneja *vide* which an order for six FIELD MARSHAL centrifugal pumps was placed with Thukral, (iii) invoice dated 18 August 1978 issued by Thukral to Marshal Machinery for 5 centrifugal pumps, (iv) letter dated 2 March 1981 by Yogesh

[28] **2020 (84) PTC 395 (Mad-DB)**
[29] **(2002) 3 SCC 65**

Machinery Stores on Thukral for FIELD MARSHAL centrifugal pumps and (v) letters dated 16 November 1982 and 23 November 1982 from Bharat Tractors, the dealers of PMD to Thukral, which evidenced engagement of K.C. Aneja in purchase of FIELD MARSHAL centrifugal pumps from Thukral.

72. Apropos the finding, in the impugned judgment, that diesel engines and centrifugal pumps are allied and cognate, Mr. Hemant Singh submits that no such issue was framed in the suit. This issue, he points out, was raised by PMD for the first time in its replication. He cites para 7, 21.1 and 21.2 of the judgment of a learned Single Judge of this Court in ***Anant Construction (P) Ltd v. Ram Niwas***[30] to contend that relief cannot be granted on the basis of a plea raised for the first time in replication.

73. Where goods in respect of which the rival marks are used are different, no cause of passing off can exist, submits Mr. Hemant Singh, relying, for the purpose, on para 35 of ***Nandhini Deluxe v. Karnataka Co-operative Milk Producers Federation Ltd***[31] as well as the decisions of the Chancery Division of the High Court of UK in ***British Sugar PLC v. James Robertson & Sons Ltd***[32] and the judgment of a Division Bench of this Court in ***Raman Kwatra v. KEI Industries Ltd***[33].

[30] **1994 (31) DRJ 205**
[31] **(2018) 9 SCC 183**
[32] **[1996] RPC 281**
[33] **2023 SCC OnLine Del 38 (DB)**

74. Diesel engines and centrifugal pumps, submits Mr. Hemant Singh, cannot, in any case, be regarded as allied and cognate.

75. Besides, Mr. Hemant Singh submits that Section 29 of the 1958 TMMA envisaged infringement only if the goods of the plaintiff and defendant were identical. It was only, therefore, if Thukral were using the FIELD MARSHAL mark for diesel engines that a case of infringement could be made out, as PMD did not possess any registration of the FIELD MARSHAL mark for centrifugal pumps.

76. Mr. Hemant Singh further submits that PMD did not lead any evidence of use, by it, of the FIELDMARSHAL mark, for centrifugal pumps, since 1963.

77. Mr. Hemant Singh further places reliance on the Legal Proceedings Certificate[34] dated 16 November 1986 issued by the office of the Registrar of Trade Marks while registering Thukral as the subsequent proprietor of the FIELD MARSHAL mark for circulating and centrifugal pumps, couplings for machines and pulleys included in Class 7.

78. Mr. Hemant Singh submits that the consequence of the impugned judgment is that, 40 years after it had commenced use of the FIELD MARSHAL mark for centrifugal pumps, Thukral had been restrained from further using the mark, and registration of the FIELD MARSHAL trademark for centrifugal pumps has also been cancelled.

[34] "LPC" hereinafter

VI. Submissions of Mr. N. Mahabir for PMD

79. Arguing for PMD, Mr. Mahabir submits that PMD had started using the FIELDMARSHAL mark in 1963, and had started using the mark for centrifugal pumps in 1975. PW-1 J.R. Vekaria had produced the original carbon copy of the account books of PMD, which evidenced sale, by PMD, of centrifugal pumps under the FIELDMARSHAL trade mark since 1975. Under Section 62 of the Indian Evidence Act, 1872, he submits that carbon copies constitute primary evidence. Mr. Mahabir submits that returns from sales of FIELDMARSHAL branded goods, by PMD, increased from ₹ 62126/- in 1963 and ₹ 914978/- in 1965 to ₹ 1211059401/- in 1984 and ₹ 60 crores in 1995, of which 1% was spent in advertisement. FIELDMARSHAL branded goods, of PMD, were sold through over 1400 dealers all over India.

80. As against this, Thukral was selling centrifugal pumps, since 1973, under its trade mark BMS. It was only when, in 1985, PMD came across Thukral's name plate, that it filed the 1985 suit, which stands decreed by the impugned judgment.

81. Mr. Mahabir points out that Thukral's application No. 373764 for the FIELDMARSHAL mark was opposed by PMD. With the said application, Thukral had filed sales invoices to evidence sale of goods, by it, from 1973. The invoices were manipulated by inserting, therein, the mark FIELDMARSHAL. On being confronted therewith, Thukral,

vide letter dated 30 March 1987, took back the invoices and withdrew its application. DW-1 Sushil Thukral, in cross-examination, admitted having taken back the invoices, but did not produce them, on the pretext that they had been destroyed during the rains of 1993.

82. Mr. Mahabir submits that the Assignment Deed dated 30 May 1986 was back dated, for the purposes of securing Registration No. 228667, which was granted on 16 November 1986. In fact, Jain had never used the FIELD MARSHAL mark. The learned Single Judge, therefore, submits Mr. Mahabir, rightly cancelled the registration.

83. Mr. Mahabir submits that centrifugal pumps are allied and cognate to diesel engines and that, therefore, being the prior user of the FIELDMARSHAL mark for diesel engines, PMD had a right to injunct Thukral's user of the same mark for centrifugal pumps. Centrifugal pumps are attached to diesel engines, to draw water, and both are used for agriculture. They were sold together, as was testified by Anil Kumar. The likelihood of confusion is apparent, as both products are purchased by the same customer segment, i.e., farmers. In fact, before the Registrar of Trade Marks, Thukral had clearly stated that it had no objection to the use, by PMD, of the FIELDMARSHAL mark for diesel engines. The validity of the said registration, thereby, stood admitted by Thukral.

84. The priority of user, by PMD, of the FIELDMARSHAL mark, submits Mr. Mahabir, is indisputable. Invoices dated 6 September 1963 and 5 November 1963 are on record. The registration of the

FIELDMARSHAL word mark in favour of PMD is of 16 October 1964. As against this, Thukral's first user of the FIELDMARSHAL mark, of which there is any evidence on record, is of 1988. The fact that no invoices, evidencing user, by Thukral, of the FIELDMARSHAL mark, prior to 1988, were forthcoming, was admitted by DW-1 Sushil Thukral, DW-2 Faqeer Chand and DW-3 Padam Chand. 60 invoices had been placed, on record, by the said DWs, all of which referred to the mark BMS. Jain's registration of the FIELD MARSHAL mark is also after PMD's, on 13 May 1965. As the prior user of the FIELDMARSHAL mark for diesel engines, therefore, PMD had the right to injunct the use, by Thukral, of the identical mark for centrifugal pumps, which were allied and cognate to diesel engines. Mr. Mahabir submits that the use of the mark FIELD MARSHAL by Thukral for centrifugal pumps, in 1985, was likely to lead to passing off.

85. Mr. Mahabir has repeatedly emphasized the fact that CO 6/1987 was filed under Section 46 and Section 56 of the TMMA 1958 and that, therefore, all grounds, including deceptive similarity, likelihood of confusion, and possibility of passing off, were available to PMD to be urged in support of the plea of rectification. The Supreme Court remanded CO 6/1987 to be decided *afresh*. The declaration of law, in the judgment of the Supreme Court, was only with respect to Section 46, and not Section 56. Thus viewed, the likelihood of passing off, were Thukral's FIELD MARSHAL mark to be permitted to be used for centrifugal pumps, was sufficient to justify its removal from the register, under Section 56 of the 1958 TMMA.

86. Even apropos Section 46, submits Mr. Mahabir, the onus to prove user of the mark was on Thukral, and has not been discharged.

87. Once it had thus been established that PMD was the prior user of the FIELDMARSHAL mark, having used it since 1963, there was no question of restraining PMD from using the mark. Invoking the law declared by the Supreme Court in ***Laxmikant V. Patel***, Mr. Mahabir submits that PMD was entitled, any time, to expand the use of the FIELDMARSHAL mark into the area of centrifugal pumps. Mr. Mahabir submits, relying on ***Neon Laboratories***, ***Whirlpool Industries***, ***Century Traders v. Roshan Lal Duggar & Co.***[35] and ***L.D. Malhotra Industries v. Ropi Industries***[36], that a registered proprietor of a trade mark cannot restrain a prior user thereof.

88. Inasmuch as PMD had been using the FIELDMARSHAL mark since 1963, Mr. Mahabir submits that the learned Single Judge has rightly allowed its registration in all languages.

89. The judgment, dated 18 December 2008, of the Supreme Court, submits Mr. Mahabir, concerns only Section 46, and does not examine Section 56 of the 1958 TMMA. In fact, the fact that CO 6/1987 had been filed under Section 46 and 56 of the 1958 TMMA had not been noticed either by the IPAB, or the High Court, or the Supreme Court.

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[35] **ILR (1977) II Delhi 709 (DB)**
[36] **ILR (1976) I Delhi 278**

90. PMD, submits Mr. Mahabir, had clearly asserted, in the 1985 suit, that it had valid and subsisting registrations of the FIELD MARSHAL trade mark in Class 7 and had also annexed, with the plaint, its statement of sales and expenses incurred in advertisement and promotion of the mark, with corresponding assertions in paras 4 and 5 of the plaint. While the user of the FIELDMARSHAL mark, by PMD, dated back to 1963, Thukral's first invoice, evidencing use of the mark by it, was of 1988.

91. Mr. Mahabir submits that cogent and credible evidence, regarding use, by it, of the FIELDMARSHAL mark for centrifugal pumps, at least since 1975, had been led by PMD, and not traversed. He refers us, first, to the evidence of PW-1 J.R. Venkaria, partner in JCC in which, in examination-in-chief, PW-1 deposed thus:

> "I am partner of M/S.J. Chandrakant & Co. The said company was established in the year 1968. We are selling diesel engines alongwith pump sets bearing the trade mark 'Field Marshal'. The said diesel engines and pumps are manufactured by M/s.P.M. Diesels Pvt. Ltd. They are manufacturing diesel engines since 1963 and pump since 1975. I have got bills to show that I have sold their Centrifugal pumps and engines for the year 1975. I have brought with me my account books as well as the books containing the counter foil of the bills under which I have sold those engines and centrifugal pumps.
>
> Indira Engineering Company is known to me. There was a contract between my company and Indira Engineering Company. I have produced on record copy of the agreement between Indira Engineering Company and J. Chandrakant & Co. in the suit. I have also brought with me the original agreement. The said original agreement is bearing the signatures of my partner Mr. P.N. Patel. I know the signatures of Mr. P.N. Patel and I can identify the same. The said agreement is dated 23.04.1975. It bears the signature of Mr. P.N. Patel. I identify the same. The contents therein are correct. The said document is exhibited and marked Exhibit PW 1/1.

> I have brought with me the original carbon bills dated 30.05.75, 30.5.76, 9.6.75, 30.5.75, 9.6.75, drawn respectively in favour of M/s Marshal Engineering Company. M/s Popular Machinery Stores, Delhi, M/s Punjab Engineering Co., Muzaffarnagar, M/s Deshsewak Iron Stores, Nilokheri and Atak Machinery stores, Kanpur. All these bills are issued by me company. All these bills are signed by Mr. Suresh Singhvi, our Accounts Manager and he has issued them under my instructions. The contents therein are correct. The said bills are exhibited and marked as Exhibit PW.1/2 to Exhibit PW.1/6 respectively. I am now shown photostat copies of the aforesaid five bills. All these photostate copies are correct copies of Exhibit PW-1/2 to Exhibit PW.1/6. The contents therein are correct. (The photostat copies of the aforesaid bills are marked as Exhibits PW.1/2-A to Exhibits PW.1/6-A respectively. Original carbon bills bearing Exhibit PW.1/2 to Exhibit PW.1/6 are returned to the witness on the condition that he would produce the same as and when asked to do so)."
>
> (Emphasis supplied)

Mr. Mahabir submits that PW-1 was not cross-examined on any of the above assertions. He points out that PW-1 has further stated, in his examination-in-chief, that JCC only sold articles beraing the FIELD MARSHAL mark and that its annual turnover was of over ₹ 40 crores. He also drew our attention to the Dealership Agreement with JCC (Ex. PW-1/1), which was only for pumps, and to the invoices on record as PW-1/1 to PW-1/6, which were for FIELD MARSHAL power driven pumps.

92. Mr. Mahabir also relies on the examination-in-chief of PW-2 Chandra Kant Popat Lal Patel, the Managing Director[37] of JCC, in which PW-2 has deposed that (i) PMD was advertising its business under the title FIELDMARSHAL since 1963, and was having a yearly turnover of more than ₹ 60 crores, (ii) they were selling their products

[37] "MD" hereinafter

in India through 1400 dealers, as well as in the Middle East, Far East and Africa, (iii) pumps could function only either with the diesel engines or with current supply, (iv) diesel engines and centrifugal pumps were generally sold to common consumers, producing agricultural products, at the same counters, (v) the 1985 suit was filed when some dealers complained, in 1984-1985, that centrifugal pumps were being sold in the market under PMD's brand name which, on inquiry, were found to be produced by Thukral and (vi) as a result, PMD was facing damages. Mr. Mahabir also points out that PMD had placed, on record, invoices covering the period from 1963 to 1984. He also took us through statements of dealers, during evidence before the learned Single Judge, testifying to purchase of FIELDMARSHAL pumps from PMD at various points of time, from as far back as 1975. He referred us to various advertisements placed on record by PMD, evidencing use of the FIELDMARSHAL mark by it. The fact of sale, and advertisement, by PMD, of FIELD MARSHAL pumps at least since 1975, he submits, also stands vouchsafed by the invoices and advertisements on record in CS (OS) 3804/1992.

93. As against this, Faqueer Chand, who deposed as DW-2, and claimed to know Thukral since 1983, deposed that he did not know who manufactured BMS branded pumps and that, in the invoices produced by him and exhibited as DW-2/1 to DW-2/5, the word "FIELD MARSHAL" was not mentioned.

94. On the aspect of infringement within the meaning of Section 29 of the 1958 TMMA, Mr. Mahabir submits that the word "same", as

used therein, should also be read as including "similar", so as to include allied and cognate goods.

95. The plea that diesel engines and centrifugal pumps are allied and cognate, submits Mr. Mahabir, was specifically advanced in the replication filed by PMD in the 1985 suit. Once a replication was allowed to be taken on record, it constitutes part of the pleadings in the suit. He points out that the advertisements filed by Thukral with CS (OS) 3804/1992 itself showed pumps and diesel engines being sold together, thus:

96. Mr. Mahabir further places reliance on paras 26 and 27 of the judgment of the Supreme Court in ***Thukral Mechanical Works***, which discourage trafficking in trade marks, and go on to hold that the question of whether, in a given case, Section 46(1)(b) read with

Section 48[38] of the 1958 TMMA would include a registered proprietor as also one who had otherwise acquired a right over the mark would depend on the facts and circumstances of the case.

97. Adverting to the observations, in para 36 of the judgment of the Supreme Court, that Thukral and PMD were both infringers of Jain, and that, in the 1985 suit, only the competing right of PMD vis-à-vis Thukral could be determined, and not a right against Jain, Mr. Mahabir submits that they were rendered in the particular circumstances with which the Supreme Court was seized in the said paragraph. These observations, he submits, could not operate as a proscription on the Court examining whether Jain had used the FIELD MARSHAL mark.

98. Mr. Mahabir next trains his guns on the Assignment Deed dated 30 May 1986. He submits that, while the Assignment Deed stated that Jain had raised objections regarding use of the mark FIELD MARSHAL by Thukral for centrifugal pumps, valves and machine couplings, no such objection had ever been raised. Further, though para 2 of the Assignment Deed recorded Jain's satisfaction that Thukral had been using the FIELD MARSHAL mark for centrifugal pumps since 1973, he submits that the earliest evidence of such user,

[38] **48. Registered users-**
(1) Subject to the provisions of section 49, a person other than the registered proprietor of a trade mark may be registered as the registered user thereof in respect of any or all of the goods in respect of which the trade mark is registered otherwise than as a defensive trade mark; but the Central Government may, by rules made in this behalf, provide that no application for registration as such shall be entertained unless the agreement between the parties complies with the conditions laid down in the rules for preventing trafficking in trade marks.
(2) The permitted use of a trade mark shall be deemed to be use by the proprietor thereof, and shall be deemed not to be use by a person other than the proprietor, for the purposes of section 46 or for any other purpose for which such use is material under this Act or any other law.

as has been found by the learned Single Judge, is of 1988. He further submits that, though para 4 of the Assignment Deed purported to transfer, to Thukral, the rights, title and interest of Jain in the FIELD MARSHAL mark along with goodwill in the business of centrifugal pumps and valves in which the mark had been used, there was in fact no such use and, consequently, no goodwill either.

99. On the aspect of evidence, Mr. Mahabir submits, relying on the judgment of the Supreme Court in ***Star Paper Mills v. Beharilal Madanlal Jaipuria Ltd***[39], that personal knowledge is not necessary while deposing for a Company. He further relies on Section 32(2)[40] of the Evidence Act to submit that a witness is competent to depose with respect to facts outside his knowledge. He further cites, in this context, the following passage from Sarkar's Law of Evidence, 18th Edn:

> "**Personal Knowledge.** – Under the English rule, the maker of the entry should have also personal knowledge of the statements contained therein [Tay s. 700]. The rule is strictly adhered to. There is no similar restrictions as to personal knowledge in the Act, which simply requires that entries in accounts should, in order to be relevant, be regularly kept in the ordinary course of business; and although it may no doubt be important to show that the person making or dictating the entries had, or had not personal knowledge of the facts stated, this is a question which according to the rule here affects the value and not the admissibility of the entries [see ***R v. Hanumanta***[41]. The contrary opinion in ***Maroti v. Mahadeo***[42], that personal knowledge is required cannot be regarded as good

[39] **2021 SCC OnLine SC 1267**

[40] (2) **Or is made in course of business**.— When the statement was made by such person in the ordinary course of business, and in particular when it consists of any entry or memorandum made by him in books kept in the ordinary course of business, or in the discharge of professional duty; or of an acknowledgment written or signed by him of the receipt of money, goods, securities or property of any kind; or of a document used in commerce written or signed by him; or of the date of a letter or other document usually dated, written or signed by him.

[41] **1 B 610,616**

[42] **A 1947 N 106**

law as nowhere does cl (2) say so, nor was attention drawn to Hanumanta's Case].

The rule of personal knowledge cannot but fail to cause hardship in many cases or to present practical impossibility. Suppose you come to purchase an article from a salesman who reported the fact to the book-keeper of the shop who made the entry of the sale or that the book-keeper posted the entry of sale in the day-book by reference to the counterfoils of the cash-memos issued. If personal knowledge were insisted upon, the entry would not be receivable as the book-keeper had no such knowledge. The difficulty with which the rule is beset is discussed at length in Wigmore s. 1530. He says: "Now the ordinary conditions of mercantile and industrial life in some offices do in fact constantly present just such a case of practical impossibility. Suppose an offer of books representing transactions during several months in a large establishment. In the first place, the employees have in many cases changed and the former ones cannot be found: in the next place, it cannot always be ascertained accurately which employee concerned in each one of the transactions represented by the hundreds of entries; in the third place, even if they would be ascertained, the production of the scores of employees, to attend court and identify in tidious succession the detailed items of transactions would interrupt and derange the work of the establishment and the evidence would be obtained at a cost practically prohibitory; and finally, the memory of such persons when summoned, would usually afford little real aid. If unavailability of impossibility is the general principle that controls, is not this a real case of unavailability? Having regard to the fact of mercantile and industrial life, it cannot be doubted that it is. In such a case, it should be sufficient if the books were verified on the stand by a supervising officer who knew them to be the books of regular entries kept in that establishment. No doubt much should be left to the discretion of the trial court; production may be required for cross-examination, where the nature of the controversy seems to require it" [Wig s. 1530]. The dispensing with the strict rule of personal knowledge in cl (2) is therefore an improvement. But the means or opportunities of the writer's knowledge must nevertheless be important in some cases and explored in cross-examination and failure to show it cannot but affect the weight of evidence, though not its admissibility

100. Mr. Mahabir finally submits that the breach of Section 11 has to be examined by the Court as on the date of filing of the rectification petition and cites, in this context, paras 30 to 34 of the decision of one

of us (C. Hari Shankar, J), sitting singly, in ***Fybros Electric Pvt Ltd v. Vasu Dev Gupta***[43] and para 16 of ***L.D. Malhotra Industries***.

Analysis

VII. Applicable statutory provisions

101. All proceedings, which stand decided by the impugned judgment, were instituted before the enactment of the 1999 TMA. They would, therefore, be governed by the 1958 TMMA.

102. Sections 46 and 56 of the 1958 TMMA envisage removal of a registered trade mark from the register.

103. Section 46(1)(a) is not of relevance, as has also been noted by the Supreme Court in its judgment in ***Thukral Mechanical Works***.

104. Section 46(1)(b) permits a registered trade mark to be removed from the register on application by any aggrieved person, if more than five years and one month have elapsed from the date of registration of the mark, during which there was no *bona fide* use, by the proprietor of the registration, of the registered mark, in respect of goods for which it was registered.

[43] **(2023) 96 PTC 120**

105. Sections 56(1) and (2) are substantially similar to the corresponding sub-sections of Section 57 of the 1999 TMA. Both provisions are invokable only on application by the person aggrieved.

106. Section 56(1) empowers the Court to cancel or vary the registration of a trade mark if registrant has failed to observe any condition, in relation to the registered trade mark, entered in the register. This provision, again, is of no significance in the present case.

107. Section 56(2) applies where (i) the mark is entered in the register without sufficient cause, or (ii) the mark is wrongly remaining on the register, or (iii) there is an error or defect in the entry in the register.

108. CO 6/1987 effectively invoked circumstances (i) and (ii).

109. Section 56(2) relates one back to Sections 9 and 11 of the 1958 TMMA. Sections 9 and 11 of the TMMA 1958 are roughly parallel to the corresponding provisions in the TMA 1999.

110. Section 9 of the TMMA 1958 is of no relevance to the case before us.

111. Of the various clauses of Section 11 of the 1958 TMMA, the only relevant clause is clause (a)[44], which proscribes the registration

[44] **11. Prohibition of registration of certain marks**. – A mark –

of a mark, the use of which would be likely to deceive or cause confusion.

112. With respect to Section 11 of the 1958 TMMA, two aspects are especially relevant.

113. The first is that there is no provision, in Section 11 of the 1958 TMMA, parallel to Section 11(3)(a)[45] of the 1999 TMA, which proscribes registration of a mark, if its use in India is liable to be prevented by virtue of any law, in particular the law of passing off. Nonetheless, this absence may not be of particular significance, in view of the existence of clause (a) in Section 11 of the 1958 TMMA.

114. When one adverts to clause (a) of Section 11 and compares it to Section 11(1) of the 1999 TMA, it becomes apparent that Section 11(a) of 1958 TMMA is much more widely worded.

115. In order for Section 11(1) of the 1999 TMA to apply, the applicant's trade mark must either be identical, or similar, to an earlier trade mark. Further, the goods or services covered by the marks must be identical or similar. Owing to the combined effect of these factors, there must exist a likelihood of confusion on the part of the public, or a likelihood of public associating the marks with one another. It is

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(b) the use of which would be likely to deceive or cause confusion; or

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shall not be registered as a trade mark.

[45] (3) A trade mark shall not be registered if, or to the extent that, its use in India is liable to be prevented—

(a) by virtue of any law in particular the law of passing off protecting an unregistered trade mark used in the course of trade; or

only when these factors coalesce that the registration of a mark can be refused under Section 11(1) of the 1999 TMA. Further, the explanation below Section 11(4) of the 1999 TMA also defines "earlier trade mark" as a mark which already stands registered or a mark in respect of which the application for registration is pending.

116. Section 11(a) of the 1958 TMMA is not subject to such constrains. It proscribes registration of a mark, the use of which would be likely to deceive or cause confusion. Though there are no guidelines contained in the provision, it is obvious that it has to be reasonably interpreted. Broadly speaking, the likelihood of deception or confusion would ordinarily arise, under Section 11(a), where there already exists a mark, being used for goods or services, as would result in registration of the applicant's mark causing confusion in the minds of the public.

117. Significantly, unlike Section 11(1) of the 1999 TMA, Section 11(a) of the 1958 TMMA does not refer to any identity or similarity of goods or marks. The Court has, therefore, with it, wide latitude in arriving at a conclusion on the aspect of likelihood of confusion.

118. We need not, however, for the purposes of the present proceedings, enter into any dissertation with respect to the amplitude of the expression "likelihood of confusion" as employed in Section 11(a) of the 1958 TMMA. Clearly, if the trade mark, of which registration is sought, is identical or deceptively similar to a registered trade mark, which stands registered for goods which are similar to

those in respect of which registration is sought by the applicant, registration would have to be refused under Section 11(a) as the likelihood of confusion is apparent.

119. These are the provisions which relate to cancellation of a registered trade mark.

120. Insofar as passing off is concerned, Section 27(2)[46] of the 1958 TMMA is identical to Section 27(2) of the 1999 TMA, and reserves the right to sue in respect of passing off. All principles relating to passing off, as applicable under the 1999 TMA would, therefore, *ipso facto* apply to proceedings under the 1958 TMMA as well.

121. There is, however, a significant difference in the provisions relating to infringement, as contained in the 1958 TMMA and 1999 TMA. While Section 29 of the 1999 TMA has several sub-sections, covering infringement of various hues, Section 29 of the TMMA is much more simplistically worded. In fact, there is effectively only one provision which deals with infringement under the 1958 TMMA, and that is Section 29(1). Section 29(1) envisages infringement as taking place where a person, who is not a registered proprietor of a trademark or a permitted user thereof uses, in the course of trade, a mark which is identical, or deceptively similar to a registered trademark, *in relation to any goods in respect of which the trademark is registered*, and in such manner as to render the use of the mark likely to be taken as being used as a trademark.

[46] (2) Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof.

122. In the facts of the present case, the italicised words are of significance. Infringement, under Section 29(1) of the 1958 TMMA, occurs only where the allegedly infringing mark is used *in relation to the goods in respect of which the infringed mark is registered*. The goods have, therefore, to be identical. Unlike the 1999 TMA, the 1958 TMMA does not envisage infringement as taking place where the goods are merely similar.

123. We, therefore, unequivocally reject Mr. Mahabir's contention that infringement, under the 1958 TMMA, could occur even where the goods of the plaintiff and the defendant are not the same. Under the 1958 TMMA, infringement can take place only where the defendant uses the infringing mark in respect of the goods for which the mark is registered in favour of the plaintiff. No case of infringement can be made out if the goods are not identical, even if they are similar, or allied or cognate.

124. We may go to the extent of observing that, even if the goods fall within the same class, there would still be no case of infringement in terms of Section 29 of the 1958 TMMA, as the words used in the Section are "goods in respect of which the trade mark is registered". Identity of goods is, therefore, the statutory *sine qua non* for Section 29 of the 1958 TMMA to apply.

125. It is trite that Court cannot re-write a statute, even by applying the principles of purposive interpretation. The words "goods in respect

of which the trade mark is registered", are clear, unequivocal, and do not admit of two interpretations.

126. In the present case, PMD had no registration of the Field Marshal Mark for centrifugal pumps. It could not, therefore, sustain a case of infringement against Thukral, on the ground that Thukral was using an identical Field Marshal Mark for centrifugal pumps. This, to us, is apparent even at the very outset.

VIII. Scope of the rectification proceedings – Section 46 or Section 56?

127. Mr. Hemant Singh assiduously sought to contend that Section 56 of the TMMA was not available to PMD, as CO 9/1986 had been preferred against Jain only under Section 46 of the TMMA and, while allowing CO 9/1986 to be withdrawn with liberty to file a fresh rectification petition vide order dated 16 January 1987, this Court had specifically required the fresh proceeding to be on the same cause of action.

128. Mr. Hemant Singh's contention is, therefore, that CO 6/1987 would also be maintainable against Thukral only under Section 46, and not under Section 56 of the 1958 TMMA.

129. We find ourselves unable to accept this contention. In the first place, para 7 of the judgment of the Supreme Court in ***Thukral Mechanical Works*** specifically notes the fact that CO 6/1987 had

been preferred by PMD against Thukral under Sections 46 and 56 of the 1958 TMMA. Nonetheless, the Supreme Court has remanded CO 6/1987 for *de novo* consideration, without entering any caveat restricting the scope of remand to Section 46 of the 1958 TMMA.

130. We, therefore, are of the opinion that it would be open to PMD to rely both on Section 46 as well as on Section 56 of the TMMA in support of CO 6/1987.

IX. Re: Section 46 of the TMMA

131. Section 46(1)(b) of the 1958 TMMA, as we have already noted, envisages removal of a registered mark from the Register of Trade Marks, if the registrant of the mark has not used the mark *bona fide* in terms of the registration, for a period of five years and one month.

132. The learned Single Judge has relied on the fact that there was no use, by Jain, of the FIELD MARSHAL mark for centrifugal pumps despite obtaining a registration in that regard. The proof of first use of the mark FIELD MARSHAL for centrifugal pumps by Thukral, according to the learned Single Judge, is of 1988. CO 6/1987 was filed on 19 January 1987. The learned Single Judge has, therefore, allowed PMD's application under Section 46 of the 1958 TMMA on the ground that including the non-use of the FIELD MARSHAL trade mark by Jain, the mark had remained in dis-use for more than five years and one month since the date of registration in favour of Jain for centrifugal pumps on 13 May 1965.

133. We agree with Mr. Hemant Singh that the said findings of the learned Single Judge are contrary to para 26 of the judgment of the Supreme Court in ***Thukral Mechanical Works***, which specifically rules that non-use by Jain, could not be relied upon against Thukral, in the Section 46 proceedings.

134. The Supreme Court has clearly held that non-use by Jain, could become relevant, if at all, only if the assignment of the mark by Jain to Thukral is to be treated as a camouflage and Jain and Thukral are to be treated as acting in concert. For this purpose, the Supreme Court has clarified that Jain would have to be impleaded as a party in the proceedings.

135. After the rendition of the judgment by the Supreme Court, PMD, in fact, moved Application MP 161/2009 before the IPAB to implead Jain in CO 6/1987. That application was dismissed by the IPAB, *vide* order dated 27 January 2011. PMD carried the matter further to this Court by way of WP (C) 4846/2011, which was also dismissed by a learned Single Judge of this Court, *vide* judgment dated 9 October 2020. While dismissing the said writ petition, the learned Single Judge, returned the following pertinent observations:

> 13. The Supreme Court set out the principles required to be applied while considering an application for rectification of a Register under Section 46(1)(b) of the Act. *The question whether the Register was required to be rectified on account of non-use of a trademark is required to be considered with reference to the registered owner of the said trademark at the material time. This High Court's view that if the non-use of the trademark attached a disability to the assignor of a trademark, such disability would also*

be inherited by the assignee, was not accepted by the Supreme Court. However, the Supreme Court also clarified that if the assignment was merely to frustrate the provision of the law and made as a device to traffic in trademark, such an assignment of a trademark would not frustrate the provisions of Section 46(1)(b) of the Act. Having set out the principles, the Supreme Court remanded the matter to IPAB to decide the same in accordance with the said principles.

14. In view of the above, *the only question to be considered by the IPAB was whether the petitioner had made out a case of trafficking of trademark and had impugned the assignment on the said ground. A clear reading of the application for rectification (C.O. No. 9/1987) indicates that the petitioner had not laid any such challenge in its application.* Mr Lall contended that it was the petitioner's case that the assignment of the trademark was mala fide and to frustrate the provisions of law. However, *a bare perusal of the application indicates that the principal ground urged by the petitioner in its application is that the registration of the trademark in favour of M/s Jain Industries was liable to be rectified as the same had not been used for a period of five years and one month. Although the petitioner has also averred that the assignment of the trademark was mala fide, a close examination of the pleadings indicates that it is not the petitioner's contention that there was any trafficking of the trademark or that Thukral was squatting on the same. On the contrary, it is an admitted case that Thukral was using the trademark in respect of its goods (although it is contended that the same amounted to infringement of the petitioner's trademark).* The petitioner had alleged that Thukral had secured an assignment of the said trademark to frustrate the petitioner's suit for infringement. *The contention that M/s Jain Industries and Thukral had been trafficking in the trademark and had registered the same without the intention to use it and that the trademark had been assigned only for the purpose of keeping the registration alive without any intention of using the same, is inconsistent with the case set up by the petitioner. Thus, the contention that M/s Jain Industries is required to be impleaded on the basis of the law as laid down by the Supreme Court, is unmerited.*

15. *In view of the decision of the Supreme Court, the disability attached to the assignor on account of non-use would not survive once the said trademark has been assigned to a bona fide user prior to the institution of any action for rectification of the Register on account of non-user.* In the present case, the fact that Thukral has been using the said trademark in respect of goods manufactured by it, is admitted. Thus, *the petitioner's application for rectification*

of the trademark solely on the ground that M/s Jain Industries had not used the said trademark for a period of five years and one month after its registration is not sustainable. The observations made by the Supreme Court that a petition for rectification of a registration on account of or non-use by the assignor would not be maintainable without impleading the assignor is in the context where the petitioner also challenges the assignment as being mala fide and with the view to frustrate the provisions of Section 46(1)(b) of the Act.

16. In the present case, the petitioner had alleged that the trademark was liable to be rectified as it had been erroneously entered in the Register. The petitioner specifically pleaded that the trademark in question was registered without sufficient cause and is wrongly remaining on the Register of Trademarks. It had further pleaded that the assignment of trademark amounts to a fraud and is also unsustainable in law. Clearly, in order to urge the said ground, it was necessary for the petitioner to have impleaded the assignor (M/s Jain Industries) as well as the assignee (Thukral). Not impleading the assignor would clearly be fatal to this case. However, the petitioner had chosen not to implead M/s Jain Industries at the material time. In the aforesaid circumstances, this Court concurs with the IPAB that impleading M/s Jain Industries at this stage (that is, after twenty-three years) would not be apposite.

17. *The petitioner's contention that it had become necessary to implead M/s Jain Industries only on account of the decision rendered by the Supreme Court in the matter is erroneous as the observations made by the Supreme Court were in the context of the petitioner's ground regarding non-use of the trademark and the allegations that it had been fraudulently transferred. There is little doubt that the assignor (M/s Jain Industries) was required to be impleaded in case its original registration in its favour was being questioned as being made without sufficient cause or the assignment made by M/s Jain Industries was sought to be challenged as fraudulent and a subterfuge to squat on the registration.*

18. In view of the above, this Court finds no reason to interfere with the impugned order. The petition is, accordingly, dismissed. The pending application is also disposed of."

(Emphasis supplied)

136. PMD never chose to challenge the aforesaid judgment dated 9 October 2020 in WP (C) 4846/2011 which, therefore, attained finality.

The decision of the learned Single Judge to also include non-use by Jain, of the FIELD MARSHAL mark for centrifugal pumps, while considering the merits of CO 6/1987 is, therefore, additionally contrary to the observations and findings in the judgment dated 9 October 2020 *supra* of the learned Single Judge.

137. Once the aspect of non-use of the FIELD MARSHAL mark for centrifugal pumps by Jain is excluded for consideration, it is clear that no case for removal of the registration of the FIELD MARSHAL mark in favour of Thukral, from the Register of Trade Marks, was made out under Section 46 of the 1958 TMMA. Thukral was substituted as the registered proprietor of the FIELD MARSHAL trade mark in the Register of Trade Marks only on 10 November 1986, with effect from 30 May 1986. Even as per the findings of the learned Single Judge, there was evidence of use of the FIELD MARSHAL mark by Thukral for centrifugal pumps from 1988. It could not, therefore, be said that as the registered proprietor of the FIELD MARSHAL mark for centrifugal pumps with effect from 30 May 1986, there was more than five years' lack of use of the mark by Thukral as would justify cancellation of the mark under Section 46 of the 1958 TMMA.

138. The decision of the learned Single Judge in allowing CO 6/1987 under Section 46 of the 1958 TMMA cannot therefore, to our mind, sustain.

139. Though the learned Single Judge has not examined whether the registration of the FIELD MARSHAL mark in favour of Thukral with

effect from 30 May 1986 could be rectified under Section 56 of the 1958 TMMA, we do so. Having done so, we are of the view that the answer has to be in the negative. The validity of the Assignment Deed dated 30 May 1986 cannot be questioned, especially in view of (i) the finding, by the Supreme Court, that, if the Assignment Deed is pleaded to be collusive or a camouflage, that would require Jain to be impleaded as a party, (ii) PMD's application to implead Jain as a party was dismissed by the IPAB, whose decision was affirmed by this Court in its judgment dated 9 October 2020 in WP (C) 4846/2011, and (iii) PMD never chose to assail the said decision. Once the Assignment Deed is regarded as valid, the substitution of Thukral, in place of Jain, as the registered proprietor of the FIELD MARSHAL mark for centrifugal pumps and other connected items in the Register of Trade Marks was but a sequitur thereof.

140. The substitution of Thukral in place of Jain as the registered proprietor of the FIELD MARSHAL trade mark for centrifugal pumps, and other like goods, cannot be said to infract Section 11(a) of the 1958 TMMA.

141. Thukral stood substituted, with effect from 30 May 1986, as the registered proprietor of the FIELD MARSHAL mark in Registration No. 228867 in place of Jain. The entitlement of Thukral to hold the said registration has, therefore, to be determined as on 13 May 1965, when the FIELD MARSHAL mark was registered in favour of Jain in Class 7.

142. The validity of the registration of the FIELD MARSHAL mark in favour of Jain in Class 7, as granted on 13 May 1965 is, to our mind, incontrovertible, in view of the following finding, in para 36 of the judgment of the Supreme Court in ***Thukral Mechanical Works*** which, we feel with greatest respect, has not been noticed by the learned Single Judge while rendering the impugned judgment:

> "36. … *Both the appellant and Respondent 1 were the infringers of the right of M/s Jain Industries as it was the registered proprietor of the trade mark in respect of the goods in question, namely, centrifugal pumps.*"
>
> (Emphasis supplied)

The Supreme Court, in the concluding paragraph of its judgment, specifically directed the remand proceedings to be determined in the light of the legal principles explained earlier in the judgment. The afore-extracted finding in para 36 of the judgment of the Supreme Court, therefore, bound the learned Single Judge, as it binds us. The pre-eminent right of Jain to use the FIELD MARSHAL mark for centrifugal pumps stands emphatically confirmed by the Supreme Court. The registration of the mark FIELD MARSHAL in favour of Jain, in Class 7, for flour mills, circulating and centrifugal pump; couplings for machines; pulleys included in class 7; and valves (parts of machines) is, therefore, *ipso facto* valid.

143. Mr. Mahabir has contended that the judgment of the Supreme Court was rendered in the context of Section 46, and not Section 56, of the 1958 TMMA, and, to that extent, we agree with him. We cannot, however, endorse his submission that the afore-extracted

finding, in para 36, can be ignored when examining the merits of the entire matter, for the following five reasons:

(i) The finding, to our mind, reflects the view of the Supreme Court, flowing from the fact that the only registrant of the FIELD MARSHAL mark for centrifugal pumps is Jain, and that no other entity, including Thukral and PMD, can claim to proprietorship of such a registration.

(ii) Even otherwise, the reference to "infringement" clearly indicates that the Supreme Court has pronounced on the legal effect of the competing registrations in the light of Section 29 of the 1958 TMMA, as that is the statutory provision which deals with infringement. The legal position, as enunciated in para 36, cannot, therefore, be wished away on the ground that the Supreme Court was, in the appeal before it, essentially concerned with Section 46 of the 1958 TMMA.

(iii) Thirdly, the Supreme Court has, in its judgment, noted the fact that PMD had sought cancellation of the registration of the FIELD MARSHAL mark in favour of Thukral under Section 46 *as well as Section 56* of the 1958 TMMA. The afore-extracted finding, as contained in para 36 of the judgment of the Supreme Court would, therefore, apply to PMD's application under both the provisions, and its scope cannot legitimately be watered down, much less wished away.

(iv) Fourthly, even on merits and in law, the view expressed by the Supreme Court is unexceptionable. Jain was, in fact, the only registered proprietor of the FIELD MARSHAL mark for centrifugal pumps. The use of the mark FIELD MARSHAL for centrifugal pumps by Thukral was, therefore, *ipso facto* infringing of Jain's registration.

(v) Registration of the FIELD MARSHAL mark in favour of Thukral in Class 7 for centrifugal pumps would also not infract Section 12(1)[47] of the 1958 Act, as the said provision applies only where there is an earlier mark for the same goods, and there has never been any registration of the FIELD MARSHAL mark for centrifugal pumps except Registration No. 228867 issued to Jain with effect from 13 May 1965.

144. No case is, therefore, made out, even under Section 56 of the 1958 TMMA, to cancel the registration of the FIELD MARSHAL trade mark in favour of Jain, or the substitution of Thukral as the registered proprietor of the mark in the certificate of registration.

145. We, therefore, are of the opinion that CO 6/1987 was liable to be dismissed. The impugned decision of the learned Single Judge, to the contrary, appears not to have noticed the impact of the afore-

[47] **12. Prohibition of registration of identical or deceptively similar trade marks.**
(1) Save as provided in sub- section (3), no trade mark shall be registered in respect of any goods or description of goods which is identical with or deceptively similar to a trade mark which is already registered in the name of a different proprietor in respect of the same goods or description of goods.

extracted observation contained in para 36 of the judgment of the Supreme Court in ***Thukral Mechanical Works***.

X. Re. the 1985 suit and the 1992 suit

146. Mr. Hemant Singh sought to submit that the only, and inexorable, sequitur, to upholding the validity of the substitution of Thukral, in place of Jain, as the registered proprietor of the FIELD MARSHAL mark for centrifugal pumps etc., was that PMD was liable to be injuncted from using an identical mark for centrifugal pumps.

147. The submission is more attractive, facially, than it actually is on merit.

148. Para 36 of the judgment of the Supreme Court in ***Thukral Mechanical Works*** holds, as we have already noted, that, as Jain was the only registered proprietor of the FIELD MARSHAL mark for centrifugal pumps, PMD, in using the FIELDMARSHAL mark for centrifugal pumps, infringed Jain's registration.

149. PMD could not, therefore, seek any injunction against Jain's use of the FIELD MARSHAL mark for centrifugal pumps *on the ground of infringement*. This position would apply, equally, vis-à-vis Thukral, once Thukral stood substituted as the registered proprietor of the FIELD MARSHAL trade mark for centrifugal pumps, in place of Jain. An infringer cannot, quite obviously, seek to injunct use of the

infringed mark by the person whose mark is infringed, on the ground of infringement.

150. Could, however, such an action lie, on the ground of passing off?

151. Section 27(2) of the 1958 TMMA, like Section 27(2) of the 1999 TMA, saves the right to sue in respect of passing off.

152. This throws up an important legal issue, viz., *whether an infringer can seek to injunct the person whose trade mark it has infringed, from using the mark, on the ground of passing off.*

153. The issue squarely arises for consideration in the case before us.

154. PMD has a registration of the mark FIELDMARSHAL for diesel engines. It has no registration of the mark for centrifugal pumps. Jain had a registration of the FIELD MARSHAL mark for centrifugal pumps. The Supreme Court holds, therefore, that PMD, in using the FIELD MARSHAL mark for centrifugal pumps, infringed Jain's registration. Thus far, there can be no dispute, once the Supreme Court has pronounced on the issue.

155. Having obtained a registration of the FIELD MARSHAL mark for centrifugal pumps, however, Jain never chose to use the mark during the entire period for which it remained its registered proprietor. The first use of the mark FIELD MARSHAL by Thukral for

centrifugal pumps, holds the learned Single Judge, is of 1988. We have set out the basis for the learned Single Judge so holding, and, on a perusal of the evidence on record, we are in entire agreement with her. There is nothing to support the purported use of the mark FIELD MARSHAL by Thukral for centrifugal pumps since 1973, though the Assignment Deed so states. No invoices or other documents, to that effect, are on record. The first invoice of Thukral, manifesting such use, is of 1988. Clearly, therefore, no use was made of the registration obtained by Jain, of the FIELD MARSHAL mark for centrifugal pumps for 23 years – close to a quarter of a century – after the registration had been obtained in 1965.

156. As against this, there is clear evidence, both documentary and oral, of PMD having used the FIELDMARSHAL mark for centrifugal pumps at least since 1975. The sales figures and advertisement expenses on record indicate that, by 1988, it had amassed considerable goodwill in the FIELDMARSHAL mark for centrifugal pumps.

157. By the time Thukral commenced using the FIELD MARSHAL mark for centrifugal pumps, therefore, PMD had considerable goodwill in the same mark, for the same goods. Viewed thus, there is clearly no reason for us to interfere with the decision of the learned Single Judge from injuncting Thukral from using the FIELD MARSHAL mark for centrifugal pumps.

158. Two issues are, however, required to be addressed by us, before confirming the finding of the learned Single Judge in that regard.

159. The first is that PMD has itself been held, by the Supreme Court, in its judgment in ***Thukral Mechanical Works***, to be an infringer of Jain's registration of the FIELD MARSHAL mark for centrifugal pumps. Would this make a difference?

160. The second is the date prior to which PMD would have to establish acquisition of goodwill in use of the FIELDMARSHAL mark for centrifugal pumps, in order to be able to injunct Thukral from such use. Would it have to be prior to the *registration* of the FIELD MARSHAL mark in favour of Jain for centrifugal pumps, i.e., prior to 13 May 1965, or prior to commencement of user of the mark by Thukral for centrifugal pumps, i.e., prior to 1988?

161. Mr. Hemant Singh urges the former. The learned Single Judge has held the latter.

162. Kerly, in his treatise Law of Trade Marks and Trade Names, illuminatingly addresses both these issues in a classic statement of the law, referring to the situation that results as an "impasse", to which we have already alluded at the commencement of this judgment:

> "**Concurrent right**
>
> … The statutory right of use given by registration of a mark does not provide a defence to proceedings for passing off by the use of the mark[48]; although it is normally expedient for the claimant in such cases to apply to revoke the registration. *Where a party*

[48] Kerly refers, significantly, here, to Section 2(2) of the Trade Marks Act, 1994, which is identical in terms to Section 27(2) of the 1958 TMMA and Section 27(2) of the 1999 TMA, and reads, "… nothing in this Act affects the law relating to passing off".

applies to register a mark but does not immediately use it, and another party uses the mark and generates sufficient goodwill to support a passing claim prior to the first use by the registered proprietor, an impasse ensues. The proprietor of the mark, if valid, may restrain use by the owner of the goodwill. ***However, the proprietorship of the mark provides no defence to a passing off claim by the owner of the goodwill, notwithstanding the fact that such goodwill was generated after the application to register the mark***."

(Emphasis supplied)

A. The decision in ***Inter Lotto***

163. Kerly, in the afore-extracted passage, cites the judgment of the UK Court of Appeal in ***Inter Lotto (UK) Ltd v. Camelot Group plc***[49], which dealt with a similar issue. A reading of the judgment reveals that the provisions of the Trade Marks Act 1994, in the context of which it was rendered, were largely similar to those of the 1958 TMMA and, indeed, the 1999 TMA.

164. Inter Lotto was using the mark "Hotpicks" from November 2001, albeit without any registration of the mark in its favour. Camelot, the respondent before the Court of Appeal, obtained a registration of the mark "Hotpicks" for the same activity, with effect from 17 October 2001. User of the mark "Hotpicks" by Camelot, however, commenced on 10 July 2002.

165. Inter Lotto sought an injunction against user of the mark "Hotpicks" by Camelot on the ground of passing off. The date by which Inter Lotto was required to establish existence of goodwill, for

[49] **[2004] 1 WLR 955**

the said purpose, arose for consideration. Inter Lotto contended that it had amassed considerable goodwill by 10 July 2002, when Camelot actually started using the mark. Camelot, on the other hand, contended that Inter Lotto was required to establish the existence of goodwill prior to 17 October 2001, the effective date of the registration of the mark "Hotpicks" in its favour.

166. The Court of Appeal held, in para 29 of the report, that the relevant date on which the existence of goodwill of Inter Lotto was to be examined, was not earlier than April 2002, which was the date of commencement of the conduct complained of, i.e., the passing off, by Camelot, of its services as those of Inter Lotto by using the "Hotpicks" mark. The issue was separately addressed by Pill LJ, thus:

> "50. Section 5 makes provision for protection of earlier rights but makes the date of application for registration crucial to the resolution of competing claims, it is submitted. Rights crystallise at that date. Under section 5(4) registration should be refused if there existed at the date of application a conflicting passing off right, but a right which comes into existence after the date of application does not affect the grant of registration. Where a trader claims he has a right to sue for passing off which prevents a second trader obtaining a trade mark registration, he has to show that the right existed at the date of application for registration. If he establishes that it does, the application should be refused (or if it has already been granted, it should be declared invalid and removed from the register: section 47(2)). If, on the other hand, a trader claiming that he has a passing off right cannot show that the right existed at the date of application for registration by a second trader, the second trader is entitled to registration and to complain of the use by the first trader of the trade mark from the date of application for registration, though he cannot bring an action for infringement until the mark is registered: section 9(3). That is so even if the first trader has, between the date of application and the grant of registration, which may include the period between the date of application and the second trader's first use of the mark, built up a reputation and goodwill under the mark."

167. The existing law in UK is, therefore, clear on the point that goodwill has to be shown by the plaintiff to exist on the date of commencement of actual user of the mark by the defendant, and not on the effective date of registration of the mark in its favour.

B. The decision in ***Neon Laboratories*** and its effect

168. In the context of the law as applied in this country, the judgment of the Supreme Court in ***Neon Laboratories*** is of considerable significance.

169. Medical Technologies Limited[50], the respondent before the Supreme Court and the original plaintiff, claimed user of the mark PROFOL since April 1998. On coming to learn that Neon Laboratories[51] was introducing a drug, in the market, with the same constituents under the name ROFOL, MTL instituted the suit, seeking an injunction against Neon using the mark ROFOL, on the ground that the marks ROFOL and PROFOL were deceptively similar to each other. The mark ROFOL stood registered in favour of Neon with effect from 19 October 1992, though Neon commenced user of the mark only from 16 October 2004. In the interregnum, MTL claimed to have amassed considerable goodwill and reputation in the mark PROFOL.

[50] "MTL" hereinafter
[51] "Neon" hereinafter

170. The Supreme Court addressed the issue of whether, in such circumstances, MTL could succeed in maintaining an action for passing off against Neon, thus:

> "8. It may be reiterated that the respondent-plaintiffs assert that their predecessor-in-interest had initiated user of the trade mark Profol in 1998, when it commenced production thereof and the respondent-plaintiffs succeeded to the user of the mark upon amalgamation with their predecessor-in-title in the year 2000. The position that emerges is that whilst the appellant-defendant had applied for registration of its trade mark several years prior to the respondent-plaintiffs (1992 as against 26-5-1998 at the earliest), the user thereof had remained dormant for twelve years. We can appreciate that this passivity may be the result of research of the product or the market, but the appellant-defendant will have to explain its supineness through evidence. In this interregnum, the respondent-plaintiffs had not only applied for registration but had also commenced production and marketing of the similar drug and had allegedly built up a substantial goodwill in the market for Profol. The legal nodus is whether the prior registration would have the effect of obliterating the significance of the goodwill that had meanwhile been established by the respondent-plaintiffs. Would a deeming provision i.e. relating registration retrospectively prevail on actuality—competing equities oscillate around prior registration and prior user.
>
> 9. Section 34 of the Trade Marks Act, 1999 (the Act) deserves reproduction herein:
>
> > "34. ***Saving for vested rights***.—Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods or services in relation to which that person or a predecessor-in-title of his has continuously used that trade mark from a date prior—
> >
> > (a) to the use of the first-mentioned trade mark in relation to those goods or services be the proprietor or a predecessor-in-title of his; or
> >
> > (b) to the date of registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor of a predecessor-in-title of his;

> whichever is the earlier, and the Registrar shall not refuse (on such use being proved), to register the second-mentioned trade mark by reason only of the registration of the first-mentioned trade mark."

This section palpably holds that a proprietor of a trade mark does not have the right to prevent the use by another party of an identical or similar mark where that user commenced prior to the user or date of registration of the proprietor. This "first user" rule is a seminal part of the Act. While the case of the respondent-plaintiffs is furthered by the fact that their user commenced prior to that of the appellant-defendant, the entirety of the section needs to be taken into consideration, in that it gives rights to a subsequent user when its user is prior to the user of the proprietor and prior to the date of registration of the proprietor, whichever is earlier. In the facts of the case at hand, the appellant-defendant filed for registration in 1992, six years prior to the commencement of user by the respondent-plaintiffs. The appellant-defendant was, thus, not prevented from restraining the respondent-plaintiffs' use of the similar mark Profol, but the intention of the section, which is to protect the prior user from the proprietor who is not exercising the user of its mark prima facie appears to be in favour of the respondent-plaintiffs.

10. Section 47 of the Act is in the same vein and statutory strain inasmuch as it postulates the possibility of a registered mark being taken off the register on an application being made by any aggrieved person, inter alia, on the ground that for a continuous period of five years and three months from the date on which the trade mark was registered, there was no bona fide use thereof. In the case in hand, prima facie, it appears that for over five years after a registration application was made by the appellant-defendant, the mark was not used. Facially, the Act does not permit the hoarding of or appropriation without utilisation of a trade mark; nay the appellant-defendant has allowed or acquiesced in the user of the respondent-plaintiffs for several years. The legislative intent behind this section was to ordain that an applicant of a trade mark does not have a permanent right by virtue of its application alone. Such a right is lost if it is not exercised within a reasonable time.

11. We must hasten to clarify that had the appellant-defendant commenced user of its trade mark Rofol prior to or even simultaneous with or even shortly after the respondent-plaintiffs' marketing of their products under the trade mark Profol, on the appellant-defendant being accorded registration in respect of Rofol which registration would retrospectively have efficacy from 19-10-1992, the situation would have been unassailably

favourable to it. What has actually transpired is that after applying for registration of its trade mark Rofol in 1992, the appellant-defendant took no steps whatsoever in placing its product in the market till 2004. It also was legally lethargic in not seeking a curial restraint against the respondent-plaintiffs. This reluctance to protect its mark could well be interpreted as an indication that the appellant-defendant had abandoned its mark at some point during the twelve-year interregnum between its application and the commencement of its user, and that in 2004 it sought to exercise its rights afresh. It would not be unfair or fanciful to favour the view that the appellant-defendant's delayed user was to exploit the niche already created and built-up by the respondent-plaintiffs for themselves in the market. The "first in the market" test has always enjoyed pre-eminence. We shall not burden this judgment by referring to the several precedents that can be found apposite to the subject. In the interest of prolixity we may mention only ***N.R. Dongre*** and ***Milmet Oftho Industries* v. *Allergan Inc***.[52] In ***Whirlpool***, the worldwide prior user was given preference nay predominance over the registered trade mark in India of the defendant. In ***Milmet***, the marks of pharmaceutical preparation were similar but the prior user worldwide had not registered its mark in India whereas its adversary had done so. This Court approved the grant of an injunction in favour of the prior user. Additionally, in the recent decision in ***S. Syed Mohiden***, this Court has pithily underscored that the rights in a passing-off action emanate from common law and not from statutory provisions, nevertheless the prior user's rights will override those of a subsequent user even though it had been accorded registration of its trade mark. The learned counsel for the appellant-defendant has endeavoured to minimise the relevance of ***Whirlpool*** as well as ***Milmet*** by drawing the distinction that those trade marks had attained worldwide reputation. However, we think that as world shrinks almost to a global village, the relevance of the transnational nature of a trade mark will progressively diminish into insignificance. In other words, the attainment of valuable goodwill will have ever increasing importance. At the present stage, the argument in favour of the appellant-defendant that we find holds more water is that in both ***Milmet*** and ***Whirlpool***, as distinct from the case before us, the prior user of the successful party predated the date of application for registration of the competing party. The question to examine, then, would be whether prior user would have to be anterior to the date of application or prior to the user by the appellant-defendant. In other words, the question before the Court would remain whether the situation on the date of application for registration alone would be relevant, or whether the developments

[52] **(2004) 12 SCC 624**

> in the period between this date and the date of grant of registration would have any bearing on the rights of the parties. All these considerations will be cast into a curial cauldron to be appreciated by the Court before which the suit is being contested. In these premises, we cannot conclude that a prima facie case has not been disclosed by the respondent-plaintiffs."

171. The judgment in ***Neon Laboratories***, when applied to the facts of the present case, clearly supports the stand adopted by PMD. Though Jain had obtained a registration of the FIELD MARSHAL mark for centrifugal pumps, with effect from 13 May 1965, which never used the said mark even till the date when it transferred the registration of the mark alongwith the goodwill therein to Thukral, by the assignment deed dated 30 May 1986. Even thereafter, the evidence of user of the mark FIELD MARSHAL for centrifugal pumps, by Thukral, is forthcoming only from 1988. There was no user, of the registration obtained by Jain of the mark FIELD MARSHAL for centrifugal pumps for 23 years after it was obtained in 1965.

172. In the interregnum, PMD commenced using the mark FIELD MARSHAL for centrifugal pumps from 1975. By 1988, when Thukral commenced user of the mark for centrifugal pumps, considerable goodwill and reputation of the FIELDMARSHAL mark for centrifugal pumps, had enured in favour of PMD.

173. In such circumstances, applying the law laid down by the Supreme Court in ***Neon Laboratories***, which reflects the legal position as settled by Kerly and elucidated in the judgment of the UK Court of Appeal in ***Inter Lotto***, PMD would be entitled to maintain a passing off action against Thukral on the basis of the goodwill

accumulated by it between 1975 and 1988, when Thukral commenced user of the mark FIELD MARSHAL, for centrifugal pumps.

174. Inasmuch as Jain had not cared to exploit the registration of the mark FIELD MARSHAL for centrifugal pumps obtained by it with effect from 13 May 1965, for 23 years, we are in agreement with the learned Single Judge that Thukral could not seek to displace the right of PMD to obtain an injunction on the ground of passing off, arising out of the goodwill accumulated by PMD of the mark FIELDMARSHAL for centrifugal pumps between 1975 and 1988, on the basis of the archaic registration of the mark obtained by Jain with effect from 13 May 1965.

175. We may note that Thukral would not be able to capitalize even on the exception engrafted in the opening sentence in para 11 of the decision in ***Neon***, as there is no evidence of user either by Thukral or by Jain, of the FIELD MARSHAL mark for centrifugal pumps prior to the commencement of user of the mark by PMD in 1975.

176. We, therefore, uphold the decision of the learned Single Judge granting an injunction, in favour of PMD and against Thukral, restraining use of the FIELD MARSHAL mark by Thukral for centrifugal pumps, on the ground of passing off.

XI. Re. RFA (OS) (Comm) 11/2024

177. This appeal assails the rejection, by the learned Single Judge, of CS (Comm) 473/2016 [*nee* CS (OS) 3804/1992].

178. This case, to our mind, presents a classic example of the "Kerly impasse". While PMD is entitled to an injunction against the use of the FIELD MARSHAL mark by Thukral on the ground of passing off, in view of the goodwill that PMD has amassed between 1975 and 1988, Thukral would equally be entitled to an injunction against PMD on the ground of infringement.

179. We have spent considerable time reflecting on whether such an injunction, on the ground of infringement, can be granted even where the infringer has acquired goodwill by use of the infringing mark. Indisputably, the right to injunction, in a passing off action, is predicated on goodwill arising from use, whereas the right to injunction, following infringement, is a right arising from registration. This throws, into sharp relief, the oft cited plea that "user trumps registration" in trade mark matters.

180. Kerly indisputably recognizes, in such a context, the existing of contrasting rights to obtain injunction; of the registrant on the basis of registration, and of the owner of goodwill on the basis of the goodwill earned.

181. Is the law in India different? Does the owner of the goodwill have, on the basis of the goodwill earned, a right to block the

entitlement of the registrant to obtain an injunction on the basis of infringement?

182. Again, indisputably, in our opinion, no such fetter is put in placed by the statute. The statutory position is, in this context, the same, under the 1958 TMMA and the 1999 TMA. We, naturally, advert to the former, as the 1958 TMMA is what concerns us.

183. Section 28(1)[53] of the 1958 TMMA confers, to a registrant of a validly registered trade mark, a right to obtain relief against infringement, which includes the right to an injunction. Any use of an identical, or deceptively similar, trade mark, by a person who has no registration therefor or other permission to so use the mark, is infringing, within the meaning of Section 29[54].

184. Section 28(1) is, however, made *subject to the other provisions of the 1958 TMMA*. This would, therefore, make Section 28(1) subject to Section 27(2) as well as Section 33 (which parallels Section 34 of the 1999 TMA).

185. Section 27(2), undoubtedly, holds that nothing in the 1958 TMMA affects the rights of action against any person for passing off

[53] **28. Rights conferred by registration**. –
(1) Subject to the other provisions of this Act, the registration of a trade mark in Part A or Part B of the register shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

[54] Section 29 of the 1958 TMMA is, in this context, distinct from Section 29 of the 1999 TMA, as it does not include, in the scope of "infringement", use of an identical or deceptively similar trade mark for similar – i.e., allied or cognate – goods or services. The goods or services have to be the same.

his goods as those of another, or to obtain an injunction on that basis. That, however, only *saves passing off actions and the right to obtain injunction in such cases*. It does not *derogate from the right conferred in Section 28(1).*

186. We may express it otherwise. The injunction that an owner of goodwill (let us call him X) can obtain against the registered proprietor of the mark (let us call him Y), by virtue of Section 27(2) on the ground of passing off, may affect the right of Y to further use the mark, but cannot affect the right of Y to obtain relief against infringement, on the basis of Section 28(1). This is because the right to relief, in a case of passing off, does not extend to undoing the registration granted to Y.

187. Once the registration of Y thus remains inviolate, the right to obtain an injunction against any person who, not being a registered or permissive user thereof, uses an identical or deceptively similar mark for identical goods, flowing from Section 29(1), 28(1) and 106 of the 1958 TMMA, also stand preserved.

188. The TMMA does not envisage goodwill to be a defence against injunction, where infringement is found to exist.

189. The only protection against injunction, available to X (the owner of the goodwill), in such a case, is under Section 33 of the TMMA – corresponding to Section 34 of the 1999 TMA. *It is only in such a case that "user trumps registration". User is accorded priority*

over registration, therefore, only where the user, by the defendant is prior both to the user of the mark by the plaintiff as well as the registration of the mark in the plaintiff's favour.

190. That the right to protection against injunction, arising from priority of user, extends only to Section 33 of the 1958 TMMA – or Section 34 of the 1999 TMA – is apparent from the following passages, from ***S. Syed Mohideen***:

> "30.1. From the reading of Section 27(2) of the Act, it is clear that *the right of action of any person for passing off the goods/services of another person and remedies thereof are not affected by the provisions of the Act*. Thus, the rights in passing off are emanating from the common law and not from the provisions of the Act and *they are independent from the rights conferred by the Act*. This is evident from the reading of the opening words of Section 27(2) which are "Nothing in this Act shall be deemed to affect rights…."
>
> 30.2. *Likewise, the registration of the mark shall give exclusive rights* ***to the use of the trade mark*** *subject to the other provisions of this Act.* Thus, the rights granted by the registration in the form of exclusivity are not absolute but are subject to the provisions of the Act.
>
> 30.3. Section 28(3) of the Act provides that the rights of two registered proprietors of identical or nearly resembling trade marks shall not be enforced against each other. However, they shall be same against the third parties. Section 28(3) merely provides that there shall be no rights of one registered proprietor vis-à-vis another but only for the purpose of registration. The said provision 28(3) nowhere comments about the rights of passing off which shall remain unaffected due to overriding effect of Section 27(2) of the Act and thus *the rights emanating from the common law shall remain undisturbed by the enactment of Section 28(3)* which clearly states that the rights of one registered proprietor shall not be enforced against the another person.
>
> 30.4. Section 34 of the Trade Marks Act, 1999 provides that nothing in this Act *shall entitle the registered proprietor or registered user to interfere with the rights of prior user*. Conjoint reading of Sections 34, 27 and 28 would show that the rights of

registration are subject to Section 34 which can be seen from the opening words of Section 28 of the Act which states "Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor…." *and also the opening words of Section 34 which states "Nothing in this Act shall entitle the proprietor or a registered user of registered trade mark to interfere…."* Thus, *the scheme of the Act is such where rights of prior user are recognised superior than that of the registration and even the registered proprietor cannot disturb/interfere with the rights of prior user*. The overall effect of collective reading of the provisions of the Act is that *the action for passing off which is premised on the rights of prior user generating a goodwill shall be unaffected by any registration provided under the Act.* This proposition has been discussed in extenso in Whirlpool, wherein the Division Bench of the Delhi High Court recognised that the registration is not an indefeasible right and the same is subject to rights of prior user. The said decision of ***Whirlpool*** was further affirmed by the Supreme Court of India in ***N.R. Dongre* v. *Whirlpool Corpn***.

30.5. The above were the reasonings from the provisions arising from the plain reading of the Act which gives clear indication that *the rights of prior user are superior than that of registration and are unaffected by the registration rights under the Act*.

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32. ***Thirdly***, it is also recognised principle in common law jurisdiction that passing off right is broader remedy than that of infringement. This is due to the reason that the passing off doctrine operates on the general principle that no person is entitled to represent his or her business as business of other person. The said action in deceit is maintainable for diverse reasons other than that of registered rights which are allocated rights under the Act. The authorities of other common law jurisdictions like England more specifically Kerly's Law of Trade Marks and Trade Names, 14th Edn., Thomson, Sweet & Maxwell South Asian Edition recognises the principle that where trade mark action fails, passing off action may still succeed on the same evidence. This has been explained by the learned author by observing the following:

> "15-033. *A claimant may fail to make out a case of infringement of a trade mark for various reasons* and may yet show that by imitating the mark claimed as a trade mark, or otherwise, the defendant has done what is calculated to pass off his goods as those of the claimant. A claim in 'passing off' has generally been added as a second

string to actions for infringement, and *has on occasion succeeded where the claim for infringement has failed*."

32.1. The same author also recognises the principle that the Trade Marks Act affords no bar to the passing off action. This has been explained by the learned author as under:

> "15-034. Subject to possibly one qualification, nothing in the Trade Marks Act, 1994 affects a trader's right against another in an action for passing off. It is, therefore, no bar to an action for passing off that the trade name, get up or any other of the badges identified with the claimant's business, which are alleged to have been copies or imitated by the defendant, might have been, but are not registered as, trade marks, even though the evidence is wholly addressed to what may be a mark capable of registration. Again, *it is no defence to passing off that the defendant's mark is registered*. *The Act offers advantages to those who register their trade marks*, but imposes no penalty upon those who do not. It is equally no bar to an action for passing off that the false representation relied upon is an imitation of a trade mark that is incapable of registration. A passing off action can even lie against a registered proprietor of the mark sued upon. The fact that a claimant is using a mark registered by another party (or even the defendant) does not of itself prevent goodwill being generated by the use of the mark, or prevent such a claimant from relying on such goodwill in an action against the registered proprietor. Such unregistered marks are frequently referred to as 'common law trade marks'."

32.2. From the reading of the aforementioned excerpts from Kerly's Law of Trade Marks and Trade Names, it can be said that not merely it is recognised in India but in other jurisdictions also including England/UK (Provisions of the UK Trade Marks Act, 1994 are analogous to the Indian Trade Marks Act, 1999) that the *registration is no defence to a passing off action* and nor the Trade Marks Act, 1999 affords any bar to a passing off action. In such an event, the rights conferred by the Act under the provisions of Section 28 have to be subject to the provisions of Section 27(2) of the Act and *thus the passing off action has to be considered independent "Iruttukadai Halwa" under the provisions of the Trade Marks Act, 1999.*

33. ***Fourthly***, it is also a well-settled principle of law in the field of the trade marks that the *registration merely recognises the rights which are already pre-existing in common law* and does not

create any rights. This has been explained by the Division Bench of the Delhi High Court in ***Century Traders*** in the following words:

> "10. '16. … First is the question of use of the trade mark. Use plays an all-important part. A trader acquires a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and the extent of his trade. The trader who adopts such a mark is entitled to protection directly the article having assumed a vendible character is launched upon the market. *Registration under the statute does not confer any new right to the mark claimed or any greater rights than what already existed at common law and at equity without registration. It does, however, facilitate a remedy which may be enforced and obtained throughout 'the State and it established the record of facts affecting the right to the mark. Registration itself does not create a trade mark. The trade mark exists independently of the registration which merely affords further protection under the statute. Common law rights are left wholly unaffected*.'
>
> *****
>
> 33.2. We uphold the said view which has been followed and relied upon by the courts in India over a long time. The said views emanating from the courts in India clearly speak in one voice, which is, that the rights in common law can be acquired by way of use and the registration rights were introduced later which made the rights granted under the law equivalent to the public user of such mark. *Thus, we hold that registration is merely a recognition of the rights pre-existing in common law and in case of conflict between the two registered proprietors, the evaluation of the better rights in common law is essential as the common law rights would enable the court to determine whose rights between the two registered proprietors are better and superior in common law which have been recognised in the form of the registration by the Act*."

191. These passages warrant a close and searching study, to appreciate their import. The Supreme Court has, in these passages, recognized that the right arising from user and goodwill is superior to the right arising from registration, *to the extent that registration*

cannot be cited as a defence against an injunction where a case of passing off, predicated on goodwill, is made out. Equally, the right to protection against injunction, in a case where the owner of goodwill enjoys priority of user *over user as well as registration* of the registrant, is preserved. *The right emanating from registration, which must cede place to the right of the prior user, who has accumulated goodwill, to an injunction against passing off, is the right to use the registered mark, and nothing more than that*[55]. *In other words, where a case of passing off is made out, the defendant cannot escape an injunction on the ground that it is a registered proprietor of the mark which the owner of goodwill seeks to injunct.*

192. The rights flowing from registration, under Section 28(1), are subject to the *rights of action against any person for passing off*. That *right of action* entitles the owner of goodwill *only to injunct the other from continuing to use its mark. It does not, in any way, entitle the owner of goodwill to divest the registrant of the right to obtain relief against infringement, flowing from the registration*.

193. In fact, the afore-extracted passages from ***S. Syed Mohideen*** make it clear that registration "*facilitates a remedy which may be enforced and obtained throughout the State*". This remedy of a registrant-plaintiff, which is sanctified by Section 28(1) read with Section 106 of the 1958 TMMA [or Section 28(1) read with Section 135 of the 1999 TMA], is not divested because of the goodwill earned by the defendant. No such proposition flows, whether from ***Neon***

[55] Refer para 30.2 of **S. Syed Mohideen**

Laboratories, or ***N.R. Dongre***, or ***Whirlpool***. The only protection against injunction, that the *non-registrant* owner of goodwill can claim against the registered proprietor of the mark, is under Section 33 of the 1958 TMMA/Section 34 of the 1999 TMA.

194. Inasmuch as the user of the FIELD MARSHAL mark for centrifugal pumps by PMD is of 1975 vintage, much after the registration of the mark in favour of Jain with effect from 1965, PMD cannot seek sanctuary behind Section 33.

195. Any other understanding of the legal position would result in the Court rewriting the provisions of the TMMA – or the TMA – to incorporate, therein, earning of goodwill consequent on user as an additional defence against injunction, even in the case of infringement of a registered trade mark. The Court cannot, it is settled, re-write the statute. The statute has granted an additional level of protection to a prior user, but only where the circumstances attract Section 33 of the TMMA/Section 34 of the TMA which, in turn, would apply only where the user of the infringing mark, by the defendant, *pre-dates both registration and user of the plaintiff*. A Court cannot, by judicial fiat, grant any additional layer of protection. We are satisfied that ***Neon Laboratories***, ***Syed Mohideen*** and ***N.R. Dongre***, too, have not done so.

196. The sequitur is plain. In view of the finding, by the Supreme Court, that PMD had infringed Jain's registration of the FIELD

MARSHAL mark for centrifugal pumps, PMD would be liable to be injuncted against continuing to use the infringing mark.

197. The learned Single Judge has dismissed the suit following her finding that the registration of the FIELD MARSHAL mark for centrifugal pumps, initially in favour of Jain and later transferred to Thukral, was liable to be cancelled.

198. We, however, have not been able to uphold the said decision of the learned Single Judge, as already noted *supra*. To our mind, CO 6/1987, by PMD seeking cancellation of the registration of the FIELD MARSHAL mark for centrifugal pumps, in favour of Thukral, would have to be dismissed.

199. Mr. Hemant Singh submits that the logical sequitur to sustaining the registration of the FIELD MARSHAL mark for centrifugal pumps, originally in favour of Jain and later transferred to Thukral, would be that the use of the mark by PMD for centrifugal pumps would be liable to be injuncted, on the ground of infringement.

200. The submission, to our mind, has merit.

201. Section 28(1) of the 1958 TMMA, like Section 28(1) of the 1999 TMA, confers, on the holder of a valid trade mark registration, the exclusive right to use the mark for the goods or services in respect of which it is registered, and the right to obtain relief against infringement. We have already held the registration of the trade mark

FIELD MARSHAL for centrifugal pumps, as granted to Jain and, subsequently, to Thukral, to be valid, and the decision of the learned Single Judge to cancel the said registration not to be legally sustainable. Thukral would, therefore, consequent on being substituted as the registered proprietor of the FIELD MARSHAL *vide* order dated 16 November 1986 with effect from 30 May 1986, be entitled to relief against infringement, which would occur on the use, by any other person, of the FIELD MARSHAL mark for centrifugal pumps.

202. Section 106(1)[56] of the 1958 TMMA (parallel to Section 135 of the 1999 TMA) includes, among the reliefs in cases of infringement, injunction against continued use of the infringing mark. By application of this provision, therefore, Thukral would be entitled to injunct PMD from continuing to use the FIELD MARSHAL mark for centrifugal pumps.

203. The learned Single Judge, while dealing with CS (OS) 2408/1985, and PMD's entitlement to an injunction against Thukral thereunder, holds that registration is not a defence in a passing off suit. Equally, however, the accumulation of goodwill, by use of an infringing mark is not a defence in an infringement action. PMD cannot, therefore, plead the goodwill that it has earned by use of the infringing FIELD MARSHAL mark for centrifugal pumps from 1975

[56] **106. Reliefs in suits for infringement or for passing off**. –
(1) The relief which a court may grant in any suit for infringement or for passing off referred to in Section 105 includes an injunction (subject to such terms, if any, as the court thinks fit) and at the option of the plaintiff, either damages or an account of profits, together with or without any order for the delivery-up of the infringing labels and marks for destruction or erasure.

to 1988 as a defence to resist an injunction, once the use of the mark has been found to be infringing.

204. CS (Comm) 473/2016 would, therefore, have to be decreed, to the extent it seeks permanent injunction against PMD using the FIELDMARSHAL mark for centrifugal pumps.

XII. LPA 320/2024 and 325-333/2024

205. PMD filed 10 applications on 16 June 1984 for registering the mark FIELDMARSHAL in Class 7 for diesel oil engines (not for land vehicles) and parts thereof, centrifugal pumps, submersible pumps, electric motors (not for land vehicles), mono block and foot valves in different regional languages.

206. The Assistant Registrar in the Trade Marks Registry, *vide* order dated 12 August 1992, rejected PMD's applications insofar as they sought registration of the FIELDMARSHAL mark for goods covered under Thukral's pre-exising Registration No. 228867 in class 7 and held that PMD's mark could be registered for goods other than those covered by the above-mentioned registration.

207. The latter part of the order, which held the applications to be worthy of consideration in respect of goods other than those included in Thukral's Registration No. 228867, was never challenged. It does not, therefore, concern us.

208. To the extent the Assistant Registrar rejected the 10 applications of PMD seeking registration of the FIELDMARSHAL mark for goods included in Thukral's Registration No. 228867, PMD filed 10 appeals before the IPAB.

209. All 10 appeals were rejected by the IPAB on 11 February 2005.

210. The orders rejecting the appeals were assailed by PMD by way of the 10 writ petitions, which stand allowed by the learned Single Judge.

211. As a result, the learned Single Judge has held PMD to be entitled to register the FIELD MARSHAL mark for centrifugal pumps in Class 7 in 10 regional languages.

212. Thukral assails the said decision by way of these LPAs.

213. Following our decision that the registration of the FIELD MARSHAL mark for centrifugal pumps, in favour of Jain with effect from 13 May 1965, later transferred in the name of Thukral, is valid, PMD cannot be allowed to simultaneously register the FIELDMARSHAL mark for centrifugal pumps, in view of Section 12(1) of the 1958 TMMA.

214. As a result, we uphold the impugned order dated 11 February 2005 of the IPAB, dismissing the 10 writ petitions filed by PMD

challenging the said decision, and set aside the impugned judgment insofar as it allows the said writ petitions.

XIII. RFA (OS) (Comm) 38/2024

215. This is an appeal by PMD, assailing the judgment of the learned Single Judge to the extent it rejects PMD's prayer for rendition of accounts in CS (OS) 2408/1985.

216. The learned Single Judge has rejected the prayer on the ground that Thukral had used the FIELD MARSHAL consequent on vacation of an interim injunction granted *vide* order dated 19 January 1988 in CS (OS) 2408/1985.

217. A claim for rendition of accounts has to be supported by pleadings. The Supreme Court, in ***K.C. Skaria v. Govt of State of Kerala***[57] held thus, with respect to the relief of rendition of accounts:

> "17. To summarise, a suit for rendition of accounts can be maintained *only if a person suing has a right to receive an account from the defendant. Such a right can either be (a) created or recognised under a statute; or (b) based on the fiduciary relationship between the parties as in the case of a beneficiary and a trustee; or (c) claimed in equity when the relationship is such that rendition of accounts is the only relief which will enable the person seeking account to satisfactorily assert his legal right. Such a right to seek accounts cannot be claimed as a matter of convenience or on the ground of hardship or on the ground that the person suing did not know the exact amount due to him*, as that will open the floodgates for converting several types of money claims into suits for accounts, to avoid payment of court fee at the time of institution."
>
> (Emphasis supplied)

[57] **(2006) 2 SCC 285**

Clearly, therefore, a prayer for rendition of accounts cannot be treated as a matter of course. The plaint has to contain the requisite pleadings to maintain the prayer.

218. The plaint in CS (OS) 2408/1985 does not, to our mind, contain these pleadings. All that is stated, in para 11 of the plaint, is that PMD's sales ran into several thousands of crores, and that they had spent enormous amounts in advertising. These averments, by themselves, could not make out a case for seeking rendition of accounts.

219. The fact that Thukral was using the FIELDMARSHAL mark for centrifugal pumps pursuant to interim orders passed by this Court, too, was a relevant circumstance, and we are in agreement with the learned Single Judge in her conclusion that no satisfactory case for directing Thukral to render accounts was made out.

220. No case, therefore, is made out, for us to interfere with the decision of the learned Single Judge to reject PMD's prayer for rendition of accounts.

Our reasons summarized

221. We summarize the reasons for our decision, as under:

(i) The Supreme Court, in para 36 of its judgment in ***Thukral Mechanical Works***, held that PMD, in using the FIELD MARSHAL mark for centrifugal pumps, had infringed Jain's registration.

(ii) The Supreme Court further held that, to question the validity of the Assignment Deed dated 30 May 1986, in which case alone could the non-use of the FIELD MARSHAL mark by Jain be taken into consideration while examining the liability of Thukral's registration, of the said mark, to cancellation under Section 46 of the 1958 TMMA, Jain had to be made a party.

(iii) PMD applied, to the IPAB, to implead Jain as a party in CO 6/1987. The application was dismissed. WP (C) 4846/2011, preferred thereagainst by PMD, was also dismissed *vide* judgment dated 9 October 2020, with clear observations to the effect that the non-user by Jain could not be used to cancel Thukral's registration under Section 46. That order was never challenged, and attained finality.

(iv) The Supreme Court, too, in its judgment in ***Thukral Mechanical Works***, held that non-use by Jain of the FIELD MARSHAL mark for centrifugal pumps could not be used as a ground to cancel the registration of the mark in favour of Thukral.

(v) The judgment of the learned Single Judge in CO 6/1987, directing cancellation of the registration of the FIELD

MARSHAL mark for centrifugal pumps, in favour of Jain and later transferred to Thukral, is directly contrary to paras 36 and 38 of the judgment of the Supreme Court in ***Thukral Mechanical Works***, as well as the judgment dated 9 October 2020 of this Court in WP (C) 4846/2011.

(vi) The impugned judgment, insofar as it allows CO 6/1987 and directs cancellation of the registration of the FIELD MARSHAL mark for centrifugal pumps, in favour of Thukral or Jain, for that matter, cannot sustain. CO 6/1987 is, therefore, liable to be dismissed.

(vii) Thukral is entitled, therefore, by virtue of its registration of the FIELD MARSHAL mark for centrifugal pumps, to injunct PMD from further use of the mark for centrifugal pumps, under Section 28(1) of the 1958 TMMA. To that extent, the decision of the learned Single Judge to dismiss CS (Comm) 473/2016 cannot sustain either. CS (Comm) 473/2016 would, therefore, be liable to be allowed, to the extent of injuncting PMD from further using the FIELDMARSHAL mark for centrifugal pumps.

(viii) At the same time, the acquisition of goodwill in the FIELDMARSHAL mark for centrifugal pumps, by PMD, from 1975 to 1988, would entitle PMD to injunct Thukral from using the FIELD MARSHAL mark for centrifugal pumps, applying the law laid down in ***Neon Laboratories***. CS (OS) 2408/1985

would, therefore, be entitled to succeed, and, to that extent, the impugned judgment has to be upheld.

(ix) For the reasons set out in paras 180 to 196 *supra*, we are of the opinion that PMD cannot escape such an injunction on the ground of the goodwill earned by it from 1975 to 1985, or even under Section 27(2) of the 1958 TMMA. Protection against injunction would have been available, applying ***Neon Laboratories***, ***S. Syed Mohideen*** and ***N.R. Dongre***, had Section 33 applied. As, however, the user of the FIELD MARSHAL mark by PMD for centrifugal pumps is of 1975 vintage, much after the registration of the mark in favour of Jain, Section 33 does not come to PMD's aid.

(x) CS (Comm) 473/2016 would, therefore, have to be allowed, and the decision of the learned Single Judge, to the contrary, cannot sustain.

(xi) The impugned judgment, insofar as it allows the 10 writ petitions filed by PMD, would have to be set aside as, once the 1965 registration of Jain, and the 1986 substitution of Thukral as the registered proprietor of the FIELD MARSHAL mark for centrifugal pumps is upheld, the simultaneous registration of the mark in favour of PMD for centrifugal pumps, from a later date, would infract Section 12(1) of the 1958 TMMA.

Conclusion

222. Resultantly, in the above terms and to the above extent,

(i) LPA 324/2024 is allowed and CO 6/1987 is dismissed,

(ii) RFA (OS) 13/2024, is dismissed, and the impugned judgment, insofar as it allows CS (OS) 2408/1985, is upheld,

(iii) RFA (OS) 38/2024 is dismissed,

(iv) RFA (OS) (Comm) 11/2024, as well as CS (Comm) 473/2016, from which it emanates, are allowed, to the extent that PMD would also stand permanently injuncted from further use of the FIELDMARSHAL mark for centrifugal pumps, and

(v) LPA 320/2014, LPA 325/2024 to LPA 333/2024 are allowed, and the writ petitions from which they arise are dismissed, to the extent they relate to the entitlement of PMD to obtain registrations, in various regional languages, of the FIELDMARSHAL mark for centrifugal pumps.

223. There shall be no orders as to costs.

C. HARI SHANKAR, J.

OM PRAKASH SHUKLA, J.

FEBRUARY 06, 2026*/aky/dsn/yg*